SES

Société Anonyme
RC Luxembourg B 81 267

Translation of the invitation letter to the Annual General Meeting of SES, Société Anonyme, on April 3, 2014 (original in French language)

By registered mail

I am pleased to invite you to the

Annual General Meeting

of SES, Société Anonyme, to be held, in accordance with article 19, paragraph 1 of the company's Articles of Incorporation at the company's registered office Château de Betzdorf, L-6815 Betzdorf, Luxembourg, on

Thursday, April 3, 2014 at 10:30 a.m.

AGENDA

1. Attendance list, quorum and adoption of the agenda
2. Nomination of a secretary and of two scrutineers
3. Presentation by the Chairman of the Board of Directors of the 2013 activities report of the Board
4. Presentation on the main developments during 2013 and perspectives
5. Presentation of the 2013 financial results
6. Presentation of the audit report
7. Approval of the balance sheet as of December 31, 2013 and of the 2013 profit and loss accounts
8. Decision on allocation of 2013 profits
9. Transfers between reserve accounts
10. Discharge of the members of the Board of Directors
11. Discharge of the auditor
12. Appointment of the auditor for the year 2014 and determination of its remuneration
13. Resolution on company acquiring own FDRs and/or own A-, or B-shares
14. Election of six Directors for a three-year term
15. Determination of the remuneration of Board members
16. Miscellaneous

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In accordance with the Law of May 24, 2011 please find enclosed the relevant documentation for the Annual General Meeting.

In accordance with article 5 of the same law please note that if you plan to attend the Annual General Meeting you need to inform SES prior to March 20, 2014 at midnight of your intention to do so either by mail addressed to SES, attn. Mrs Naoual JAMOU, Château de Betzdorf, L-6815 Betzdorf or by e-mail to shareholders@ses.com or by fax to +352 710 725 532.

Attached with this invitation you will also find a form that we would like you to fill in and return to us at your convenience if you agree to either download the documents for future shareholder meetings from our website or if you accept to receive the documents electronically.

Concerning agenda item 14, I would like to draw your attention to article 9 C) of SES' Articles of Incorporation which provides that "the Chairperson of the Nomination Committee shall receive all nominations at least ten days prior to the meeting. The nominations shall indicate the name, first name, profession and residence of the candidates" The deadline to file the applications will consequently expire on Monday March 24, 2014 at 6:00 p.m. Any interested candidate should send his/her candidacy to the Chairperson of the Nomination Committee of SES at Château de Betzdorf, L-6815 Betzdorf.

On behalf of the Board of Directors

René STEICHEN
Chairman

Assemblée Générale Annuelle de SES
Jeudi 3 avril 2014 à 10 heures 30

Point 2 de l'ordre du jour

Selon l'article 23 des statuts "Le président de l'Assemblée désigne un secrétaire. L'Assemblée choisit deux scrutateurs".

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Agenda item 2

According to article 23 of the Articles of Incorporation "The Chairperson shall appoint a secretary. The Meeting shall appoint two scrutineers".

Assemblée Générale Annuelle de SES
Jeudi 3 avril 2014 à 10 heures 30

Point 3 de l'ordre du jour

Présentation par le Président du Conseil d'administration du rapport de gestion du Conseil pour l'année 2013.

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Agenda item 3

Presentation by the Chairman of the Board of Directors of the 2013 activities report of the Board.

2013 Activities Report

Introduction

SES has been listed on the Luxembourg Stock Exchange since 1998 and on Euronext Paris since 2004. The company follows the 'Ten Principles of Corporate Governance' adopted by the Luxembourg Stock Exchange (its home market)as revised in 2013 and the governance rules applied by companies listed in Paris, where most of the trading in SES FDRs takes place. Where those rules conflict, *e.g.* with regard to the publication of the individual remuneration of the members of its Executive Committee and its Board members, SES follows the rules of its home market by reporting the aggregate amount of the direct and indirect remuneration of the members of the Executive Committee, with the fixed and the variable components of the benefits being separately identified.

SES meets all the recommendations made by the 'Ten Principles' except with regard to Recommendation 3.9, which states that the committees created by the Board should only have advisory powers. The SES Board has delegated some decision-making powers to the Remuneration Committee. For the full details of these powers, see the charter of the Remuneration Committee on the SES website (www.ses.com).

The company continuously increases the flow of information to its shareholders via the corporate governance section of its website and communicates with its shareholders through the dedicated e-mail address: shareholders@ses.com. In line with Luxembourg law, the company allows shareholders to receive all corporate documentation, including the documents for shareholder meetings, in electronic format.

In this context, the website contains a regularly updated stream of information, such as the latest version of the company's main governance documents, be it the articles of incorporation, the corporate governance charter (including the charters of the various committees set up by the Board) or the separate sections on the composition and the mission of the Board, the Board's committees and the Executive Committee. This section also contains the SES Code of Conduct and Ethics, the Dealing Code, the financial calendar and any other information that may be of interest to the company's shareholders.

Organisation principles

Created on March 16, 2001 under the name of SES GLOBAL, SES is incorporated in Luxembourg. Following the completion of the acquisition of GE Americom on November 9, 2001, SES became the parent company of SES ASTRA, originally created in 1985. A copy of SES's articles of incorporation, in its latest version, is available in the corporate governance section of the company's website.

The annual general meeting of shareholders

Under Luxembourg company law, the company's annual and/or extraordinary general meetings represent the entire body of shareholders of the company. They have the widest powers, and resolutions passed by such meetings are binding upon all shareholders, whether absent, abstaining from voting or voting against the resolutions.

The meetings are presided by the Chairman of the Board or, in case of his absence, by one of the Vice Chairmen of the Board or, in their absence, by any other person appointed by the meeting. Any shareholder who is recorded in the company's shareholder register at least 14 business days before the meeting is authorised to attend and to vote at the meeting. A shareholder may act at any meeting by appointing a proxy (who does not need to be a shareholder).

The company has issued two classes of shares: Class A and Class B shares.

Although they constitute separate classes of shares, Class A and Class B shares have the same rights except that the shares of Class B, held by the State of Luxembourg and by two entities wholly-owned by the State of Luxembourg, entitle their holders to only 40% of the dividend, or in case the company is

dissolved, to 40% of the net liquidation proceeds paid to shareholders of Class A. Class B shares are not freely traded. Each share, whether of Class A or B, is entitled to one vote. In accordance with the company's articles of incorporation, no shareholder of Class A may hold, directly or indirectly, more than 20%, 33% or 50% of the company's shares unless it has obtained prior approval from the meeting of the shareholders. Such limit is calculated by taking into account the shares of all classes held by a shareholder of Class A.

A shareholder or a potential shareholder who plans to acquire by whatever means, directly or indirectly, more than 20%, 33% or 50% of the shares of the company must inform the Chairman of the Board of such intention. The Chairman will then inform the government of Luxembourg of the planned acquisition, which may only be opposed by the government within three months from receiving such information, should the government determine that such acquisition is against the general public interest.

In case of no opposition from the government, the Board shall convene an extraordinary meeting of shareholders, which may decide at a majority provided for in article 67-1 of the law of August 10, 1915, as amended, regarding commercial companies, to authorise the demanding party to acquire more than 20%, 33% or 50% of the shares.

The annual general meeting is held on the first Thursday in April. Each registered shareholder will receive written notice of the annual general meeting, including the time of the meeting and the agenda, at least 30 days prior to the meeting. Holders of the company's FDRs will be represented at the meeting by Banque et Caisse d'Epargne de l'Etat acting as Fiduciary. Each FDR will represent one Class A share. If a holder of FDRs desires to attend the annual general meeting of shareholders in person, that shareholder needs to convert at least one FDR into an A share. In order to facilitate the attendance of the meeting by FDR holders, the company will pay the applicable charge for a conversion of up to 10,000 FDRs for a short period prior to the annual general meeting.

Notice of the meeting and of the proposed agenda will also be published in the press and in the "Memorial C". The Fiduciary will circulate the draft resolutions to both international clearing systems, Clearstream and Euroclear, allowing FDR holders to give their voting instructions to the Fiduciary in time for the meeting. At the same time, the draft resolutions will be made available on the company's website. Unless the Fiduciary has received specific instructions from the FDR holder, the Fiduciary will vote in favour of the proposals submitted by the Board.

The meeting may deliberate validly only if at least half of the shares of Class A and at least half of the shares of Class B are represented. In the event that the required quorum is not reached, the meeting will be reconvened in accordance with the form prescribed by the articles of incorporation. It may then validly deliberate without consideration of the number of represented shares.

The proceedings are held in French, but an English translation is provided by the company. A French version of the AGM minutes and the results of the shareholders' votes will be published on the SES website within 15 days of the annual general meeting.

With the exception of the procedure described above whenever a shareholder intends to hold more than 20%, 33% or 50%, all the resolutions of the meeting are adopted by a simple majority vote except if otherwise provided for by Luxembourg company law. The annual general meeting held on April 4, 2013 was attended by 99.871% of the company's shareholders. As the 4,875,016 FDRs held by the company did not participate in the vote, the participation in the vote was reduced to 98.951% of the company's shares.

During the 2013 annual general meeting, the shareholders approved the 2012 financial results and the allocation of the 2012 profits, granted discharge to the external auditor and the directors, elected PwC as the company's external auditor in replacement for E&Y and granted an authorisation to SES to buy back its own shares. The shareholders also approved the directors' fees, which remained unchanged in comparison to 2012. Finally shareholders elected six Directors for a term of three years with a minimum majority of 92.8% of the votes expressed. Four of the Directors saw their mandate renewed, whereas Romain Bausch and Tsega Gebreyes were elected for a first mandate of three years.

All of the Board's other proposals were carried by a majority of at least 99.4% of the votes expressed. In accordance with article 67-1 of the Luxembourg company law, abstentions are not considered when determining whether a resolution has been passed or not. The detailed results of the shareholders' votes are available in the corporate governance section of the company's website.

The Board of Directors and its committees

Mission

The Board of Directors is responsible for defining the company's strategic objectives as well as its overall corporate plan. The Board approves, upon proposal from the Executive Committee, the annual consolidated accounts of the company and the appropriation of results, the group's medium-term business plan, the consolidated annual budget of the company and the management report to be submitted to the meeting of shareholders. It also approves major investments and is responsible vis-à-vis shareholders and third parties for the management of the company, which it delegates to the Executive Committee.

Composition

The Board of SES is composed of 18 directors, all but one of them non-executive directors. In accordance with the company's articles of association, two thirds of the Board members represent holders of Class A shares and one third of the Board members represent holders of Class B shares. In line with the decision taken by the shareholders at their annual general meeting in 2011, the mandates of the current directors will expire at the annual general meeting of shareholders in April 2014, 2015 and 2016, respectively. Mr René Steichen is the Chairman of the Board of Directors. He was elected by the members of the Board in the meeting which followed the annual general meeting on April 4, 2013. René Steichen is currently assisted by two Vice Chairmen, Messrs François Tesch and Jean-Paul Zens, each one elected on the basis of proposals submitted by directors representing shareholders of Class A and of Class B shares, respectively.

In the event of a vacancy on the Board, the remaining directors may, upon a proposal from the Nomination Committee and on a temporary basis, fill such a vacancy by a majority vote. In this case, the next annual general meeting of shareholders will definitively elect the new director, who will complete the term of the director whose seat became vacant.

In accordance with internal regulations, at least one third of the Board members must be independent directors. A Board member is considered independent if he has no relationship of any kind with the company or management which may impact his judgment. This is defined as:

- not having been a director for more than 12 years;
- not having been an employee or officer of the company over the previous five years;
- not having had a material business relationship with the company in the previous three years; and
- not representing a significant shareholder owning directly or indirectly more than 5% of the company's shares.

Nine of the current Board members are considered independent:

Ms Bridget Cosgrave, Tsega Gebreyes and Miriam Meckel and Messrs Marc Beuls, Marcus Bicknell, Jacques Espinasse, Conny Kullman, Ramu Potarazu and Marc Speeckaert.

Of the nine directors who are not considered independent, six represent a significant shareholder owning more than 5% of the company's shares, two have been a director for more than 12 years and one director has an employment relationship with the company.

Mr Pierre Margue, Vice President, Legal Services Corporate and Finance, acts as secretary of the Board of Directors.

Rules of functioning

The Board of Directors meets when required by the company's business, and at least once in a quarter. It can only validly deliberate if a majority of the directors are present or represented. The resolutions of the Board are passed by a simple majority of votes of the voting directors present or represented, not considering abstentions. Any material contract that is proposed to be signed by the company or any of its wholly controlled operating subsidiaries with a shareholder owning, directly or indirectly, at least 5% of the shares of the company is subject to a prior authorisation by the Board. In 2013 there have been no transactions between the company and a shareholder owning directly or indirectly at least 5% of the company's shares.

Activities of the Board of Directors in 2013

The Board of Directors held six meetings in 2013, with an average attendance rate of more than 95%. After endorsement by the Audit Committee, the Board approved the 2012 audited accounts, including the proposed dividend as well as the results for the first half of 2013. During the year, the Board approved the new strategic plan as well as a business plan for the period 2013–2019, which served as the basis for the 2014 budget approved by the Board in December.

During the year 2013, the Board approved the procurement of SES-10 as well as the divestment from Solaris, a Joint-Venture the company had set up with Eutelsat to develop next-generation Mobile Satellite Services (MMS).

During 2013, the Board also decided to launch a new share buyback programme, which was implemented on Euronext Paris through the filing of a 'notice d'information' on May 15. The 2013 programme was limited to the following two objectives:

- to meet the company's obligations under its executive share ownership and stock option plans; and
- to operate under the framework of a liquidity contract signed with Rothschild.

Finally, the Board noted two updates to the company's risk management report. The Board was regularly informed by the Executive Committee on the group's activities and financial situation as well as on the frequency spectrum dispute with Eutelsat. The Board was updated on O3b and noted the sale of the company's shares in Glocom Ltd and in ND SatCom in line with earlier Board decisions. At each meeting directors receive a report on ongoing matters and the Chairmen of the three committees set up by the Board present a report on the latest developments discussed in these respective committees. In addition, a business report is distributed to the members of the Board on a monthly basis.

The Board further noted an update of the Treasury Roadmap and received a presentation on the main regulatory issues identified in the satellite sector.

In line with past practice, the Board proceeded with a self-evaluation exercise, as a result of which management agreed to some additional modifications which should further streamline the internal corporate governance processes.

The 18 members of the current Board of Directors are:

René Steichen

Born November 27, 1942, Mr Steichen became a director on June 1, 1995. He was elected Chairman on April 15, 1996. Prior to that time, he was a member of the Luxembourg government (1984–1993) and member of the European Commission (1993–1995). He is currently an attorney at law in Luxembourg. He is also a member of the Board of Directors of SES ASTRA and Chairman of the Board of Luxconnect S.A. Mr Steichen studied law and political science in Aix-en-Provence and Paris. He holds a doctorate in law and also earned the final degree in economics and finance from the Institut d'Etudes Politiques of Paris. Mr Steichen is the Chairman of the Board as well as of the company's Nomination and Remuneration Committees.

Mr Steichen is a Luxembourg national. He is not an independent director, because he represents an important shareholder.

François Tesch

Born January 16, 1951, Mr Tesch became a director on April 15, 1999. He is Chief Executive Officer of Foyer S.A. and Luxempart S.A. He graduated with a degree in economics from the Faculté d'Aix-en-Provence and holds an MBA from INSEAD (Institut Européen d'Administration des Affaires). Mr Tesch is also a Board Member of Atenor Group S.A. and Financière de Tubize S.A., and Vice Chairman of the Board of SES and a member of the Nomination Committee of SES.

Mr Tesch is a Luxembourg national. He is not an independent director, because he has been a director for more than 12 years.

Jean-Paul Zens

Born January 8, 1953, Mr Zens became a director on May 7, 2002, and was elected Vice Chairman on the same date. Mr Zens is also a member of the Board of Directors of SES ASTRA and Entreprise des Postes et Télécommunications, Luxembourg. He is currently Director of the Media and Communications department of the Ministry of State in Luxembourg. He holds a law degree and a degree in psychology and communications sciences from the University of Strasbourg. Mr Zens is a member of the Nomination Committee of SES.

Mr Zens is a Luxembourg national. He is not an independent director because he represents an important shareholder.

Serge Allegrezza

Born October 25, 1959, Mr Allegrezza became a director on February 11, 2010. He is currently the Director General of Statec, the Luxembourg Institute for Statistics and Economic Studies, a post he has held since April 2003. He was Conseiller de Gouvernement 1ère classe at the Ministry of Economics, responsible for internal market policy, and is the Chairman of the Observatory for Competitiveness. He is also the Chairman of the Board of Directors of Entreprise des Postes et Télécommunications and of the Board of LuxTrust i.n.c and a member of the Conseil Economique et Social. Mr Allegrezza, was a parttime lecturer at the IAE/University of Nancy 2, has a Master's in economics and a PhD in applied economics.

Mr Allegrezza is a Luxembourg national. He is not an independent director, because he represents an important shareholder.

Romain Bausch

Born July 3, 1953, Mr Bausch has been President and Chief Executive Officer of SES since 1995, following a career in the Luxembourg civil service (Ministry of Finance). Before joining SES as its chief executive, Mr Bausch occupied key positions in the banking, media and telecommunications sectors and spent a five-year term as a Director and Vice Chairman of SES. Mr Bausch is also Chairman of the Board of Directors of SES ASTRA and Vice Chairman of the Board of Directors of O3b Networks. Mr Bausch also serves as a Director of Fedil – Business Federation Luxembourg and is a member of the Boards of Directors of Aperam, BIP Investment Partners and Compagnie Financière La Luxembourgeoise. He graduated with a degree in economics (specialisation in business administration) from the University of Nancy. He holds an honorary doctorate from the Sacred Heart University in Luxembourg.

Mr Bausch is a Luxembourg national. He is not an independent director, because of his employment relationship with SES.

Marc Beuls

Born September 15, 1956, Mr Beuls became a director on April 7, 2011. He is the former President and CEO of Millicom International Cellular S.A., a position he held from 1998 to 2009. Prior to joining Millicom in 1992 as Senior Vice President in charge of finance and treasury, Mr Beuls worked for Generale Bank in Belgium, specialising in project and trade financing in emerging markets. Mr Beuls graduated from the Limburg Business School, currently UHasselt, holding a degree in economics with a major in finance. Mr Beuls is a member of the Audit and Risk Committee of SES.

Mr Beuls is a Belgian national. He is an independent director.

Marcus Bicknell

Born February 28, 1948, Mr Bicknell became a director on May 6, 2005. Mr Bicknell is a director of New Media Foundry Ltd, and Langstaff-Ellis Ltd, two non-listed companies in the United Kingdom, and is a member of the Development Board of the Royal Academy of Dramatic Art. From 1986 to 1990 he was Commercial Director of Société Européenne des Satellites. Mr Bicknell holds an MA Honours Degree in physical anthropology from Cambridge University. Mr Bicknell is a member of the Remuneration Committee and the Nomination Committee of SES.

Mr Bicknell is a British national. He is an independent director.

Marc Colas

Born May 13, 1955, Mr Colas became a director on February 21, 2013. He was the general secretary of the Council of Ministers of the Luxembourg Government from 2004 to 2013, and he is presently Administrateur Général in the Presidency of the Government, in the Prime Minister's Office. Prior to that, he has held several positions in the Luxembourg civil service, in the Ministry of Finance, the Ministry for the Civil Service and Administrative Reform, the Ministry of Home Affairs and since 2004 in the Presidency of the Government, in the Prime Minister's Office. From 2001-2006, Mr Colas was a member of the Audit Committee of the European Investment Bank. He is also a member of the Board of Oeuvre Nationale de Secours Grand-Duchesse Charlotte. Mr Colas graduated with a master's degree in law from the University of Strasbourg and holds a double Master of Business Administration (Finance and Marketing) from the Richard T. Farmer School of Business from the University of Oxford (Ohio).

Mr Colas is a Luxembourg national. He is not an independent director, because he represents an important shareholder.

Bridget Cosgrave

Born July 1, 1961, Ms Cosgrave became a director on April 3, 2008. She is President and Founder of Every European Digital, a company to develop technology agnostic broadband infrastructure opportunities, currently focused on Poland. From 2009 until 2011, Ms Cosgrave served as Director General of DIGITALEUROPE. Ms Cosgrave was with Belgacom S.A. from 2001-2007 as a member of the Executive Committee. Her roles there included Executive Vice President of the Enterprise division, Chairman, President & founding CEO of BICS, a joint venture with Swisscom and MTN and Board Member of Belgacom Mobile (Proximus) and Telindus Group. Ms Cosgrave holds an MBA from London Business School and a BA (Hons) in Economics & History from Queen's University in Canada. Ms Cosgrave is a member of the Audit and Risk Committee of SES.

Ms Cosgrave is a dual Irish and Canadian national. She is an independent director.

Hadelin de Liedekerke Beaufort

Born April 29, 1955, Mr de Liedekerke Beaufort became a director on April 17, 2000. He is currently a director of Santander Telecommunications, a privately held company, as well as a director of other private companies with interests in various fields such as financial, communication and real estate

developments. Mr de Liedekerke Beaufort graduated from the Ecole Hôtelière de Lausanne. Mr de Liedekerke Beaufort is a member of the Remuneration Committee of SES.

Mr de Liedekerke Beaufort is a French national. He is not an independent director, because he has been a director for more than 12 years.

Jacques Espinasse

Born May 12, 1943, Mr Espinasse became a director on May 6, 2005. In May 2007, after five years of duty, he retired as a member of the Management Board and Chief Financial Officer of Vivendi. Mr Espinasse is the former Chief Operations Officer of TPS. He is a member of the Supervisory Boards of LBPAM, Axa Belgium, Axa Holdings Belgium, Axa Bank Europe and Hammerson Plc. and holds a BBA and an MBA from the University of Michigan. Mr Espinasse is a member of the Audit and Risk Committee and the Remuneration Committee of SES.

Mr Espinasse is a French national. He is an independent director.

Jean-Claude Finck

Born January 22, 1956, Mr Finck became a director on May 31, 2001. Mr Finck is Chief Executive Officer of Banque et Caisse d'Epargne de l'Etat, a member of the Boards of Directors of Bourse de Luxembourg S.A., Luxair S.A., Cargolux S.A., La Luxembourgeoise S.A., La Luxembourgeoise Vie S.A., Paul Wurth S.A., and La Banque Postale Asset Management. Mr Finck graduated with a degree in economics from the University of Aix/Marseille. Mr Finck is a member of the Audit and Risk Committee of SES.

Mr Finck is a Luxembourg national. He is not an independent director, because he represents an important shareholder.

Tsega Gebreyes

Born December 14, 1969, Mrs Tsega Gebreyes became a director on April 4, 2013. She is the Founding Director of Satya Capital Limited. She served as Chief Business Development and Strategy Officer of Celtel International BV and Senior Advisor to Zain. She was also Founding Partner of the New Africa Opportunity Fund, LLP (re-named Zeypher Opportunity Fund LLP) and has worked with McKinsey and Citicorp. Mrs Gebreyes is a director of Ison Grown, Hygeia Nigeria Limited and Satya Capital Limited. She has a double major in Economics and International Studies from Rhodes College and holds an MBA from Harvard Business School.

Mrs Gebreyes is an Ethiopian national. She is an independent director.

Conny Kullman

Born July 5, 1950, Mr Kullman became a director on April 5, 2012. He was a former Director General, CEO and Chairman of Intelsat. Mr Kullman graduated with a Master of Science in Electronic Engineering from the Chalmers University of Technology in Gothenburg in 1974. After working as a Systems Engineer for Saab-Ericsson Space AB in Sweden until 1983, he joined Intelsat in Washington D.C., where he held several positions before becoming the company's Director General and CEO in 1998. Mr Kullman became the CEO of Intelsat, Ltd. in 2001, and in 2005, Chairman of Intelsat, Ltd., and CEO and President of Intelsat (Bermuda), Ltd., positions from which he retired in 2006. Mr Kullman is a member of the Remuneration Committee and of the Nomination Committee of SES.

Mr Kullman is a Swedish national. He is an independent Director.

Miriam Meckel

Born July 18, 1967, Pr. Dr. Meckel became a director on April 5, 2012. She is Professor for Corporate Communication and Director of the Institute for Media Management and Communication, University of St. Gallen. Prior to her current position, she was Undersecretary of State for Europe, International Affairs and Media and government spokeswoman in the office of the Premier of North Rhine-Westphalia. She also worked as Professor for Journalism and Communication Studies at the University of Münster, and was Managing Editor and presenter of a television news magazine for RTL Television. She has also been active as a freelance journalist for public and commercial television. Pr. Dr. Meckel is a member of the Boards of Directors of SES ASTRA, of the Ecole Hôtelière de Lausanne and of Commerzbank International S.A. Luxembourg. She holds a PhD in Communication Studies from the University of Münster.

Pr. Dr. Miriam Meckel is a German national. She is an independent Director.

Ramu Potarazu

Born August 10, 1961, Mr Potarazu became a director on February 20, 2014. He is the CEO of Binary Fountain. He is the Founder and former CEO of Vubiquity. Prior to founding Vubiquity, Mr Potarazu spent 15 years in various positions at Intelsat (1991-2006). He became Intelsat's Vice President of Operations and CIO in 1996 and its Vice President, Commercial Restructuring in 2000. In 2001 Mr Potarazu became President of Intelsat Global Service Corporation and from 2002 to 2006 he was President and Chief Operating Officer of Intelsat Ltd. Prior to joining Intelsat, Mr Potarazu held several engineering jobs. Mr Potarazu graduated with a BS in Computer Science and in Mathematics from the Oklahoma Christian University. He also holds an MSc in Electrical Engineering from the John Hopkins University and was a member of the Stanford Executive Program.

Mr Potarazu is a US National. He is an independent Director.

Victor Rod

Born April 26, 1950, Mr Rod became a director on November 23, 1995. He is President of Commissariat aux Assurances and Chairman of the Board of Directors of Banque et Caisse d'Epargne de l'Etat, Luxembourg. Mr Rod graduated with a degree in law from the University of Nancy.

Mr Rod is a Luxembourg national. He is not an independent director because he represents an important shareholder.

Marc Speeckaert

Born May 23, 1951, Mr Speeckaert became a director on May 6, 2005. He is the Managing Director of Sofina S.A. and a Director of several non-listed corporations, as well as of Rapala (which is listed on the Helsinki Stock Exchange) and of Mersen (which is listed on Euronext Paris). Mr Speeckaert graduated with a degree in applied economics and holds a Master in Business and Administration from the Université Catholique de Louvain (UCL) in Belgium. He also participated in an Advanced Management Program from Wharton, University of Pennsylvania (USA). Mr Speeckaert is the Chairman of the Audit and Risk Committee and a member of the Nomination Committee of SES.

Mr Speeckaert is a Belgian national. He is an independent director.

Committees of the Board of Directors

The Chairman's Office

The Chairman and the two Vice Chairmen are members of the Chairman's Office. The Chairman's Office prepares the agenda for the Board meetings, allowing the Vice Chairmen to co-ordinate the preparation of the Board meetings with the directors of their respective share classes.

The current members are:
Mr René Steichen
Mr François Tesch
Mr Jean-Paul Zens.

The Chairman's Office met six times during 2013 with a members' attendance rate of more than 94%

The Remuneration Committee

In accordance with general corporate governance standards, the company's Board established a Remuneration Committee which determines the remuneration of the members of the Executive Committee, and which advises on the overall remuneration policies applied throughout the company. It reports to the Board at each meeting through its Chairman. The Remuneration Committee is composed of six members, at least half of whom are independent Board members in line with the SES internal regulations. The Remuneration Committee is now composed of the following six non-executive directors:

Mr René Steichen
Mr Marcus Bicknell (independent)
Mr Hadelin de Liedekerke Beaufort
Mr Jacques Espinasse (independent)
Mr Conny Kullman (independent)
Mr Jean-Paul Zens.

The Remuneration Committee was chaired in 2013 by the Chairman of the Board.

The Remuneration Committee held five meetings, with an attendance rate of 90%. Matters addressed related to the determination of the 2013 stock option grant and the 2012 bonus for members of the Executive Committee. The Remuneration Committee further determined the number of performance shares allocated to the members of the Executive Committee for their performance in 2012 and it adopted the 2013 business objectives which are used as one element in the determination of their bonuses for 2013. The Remuneration Committee decided that from 2014 onwards, executives will receive fewer restricted shares and more performance shares. After each meeting, the Board is briefed in writing about the work of the Remuneration Committee.

The Remuneration Committee also oversees the implementation of the decision under which the members of the Executive Committee must within five years hold the equivalent of an annual salary's worth of registered shares in the company (with the President and CEO of SES having to hold shares worth two years of his salary).

The Audit and Risk Committee

As part of its overall corporate governance, the Board established an Audit and Risk Committee, which assists the Board in carrying out its oversight responsibilities in relation to corporate policies, risk management, internal control, internal and external audit and financial and regulatory reporting practices. The committee has an oversight function and provides a link between the internal and external auditors and the Board. The Audit Committee is composed of six members, four of whom are independent Board members.

The current members of the Audit and Risk Committee are:

Mr Marc Speeckaert, Chairman of the Audit and Risk Committee (independent)
Mr Marc Beuls (independent)
Mr Marc Colas
Ms Bridget Cosgrave (independent)
Mr Jacques Espinasse (independent)
Mr Jean-Claude Finck

The Audit and Risk Committee held five meetings, with a members' attendance rate of 90%.

The meetings were dedicated in particular to the review of the 2012 financial results before their submission to the Board and their subsequent approval by the shareholders at the statutory annual general meeting, and to the results of the first half of 2013. Members of the Board also had the opportunity to channel any comments they had on the company's quarterly results through the Chairman of the Audit and Risk Committee prior to the publication of these results.

The Audit and Risk Committee reviewed the company's statement on internal control systems prior to its inclusion in the annual report, approved the Internal Audit plan, and received bi-annual updates on the Internal Audit activities and on the follow-up of the major recommendations. It also reviewed the 2012 Ernst & Young Management letter.

The Audit and Risk Committee further continued to encourage management in its efforts to eliminate as many non-operating legal entities as possible. In line with good corporate governance practice, and as a result of the RFP launched in 2012 for the appointment of the external auditor, the Audit and Risk Committee proposed to the Board and to the shareholders to appoint PwC as external auditor for 2013.

The Audit and Risk Committee received bi-annual updates on risk management from the SES risk management committee and held several discussions on IT security. The Committee received updates on the newly introduced ERP system and an update on the Treasury Roadmap as well as an annual report from the Chairman of the Compliance Committee. It reviewed the Internal Audit Charter and approved a limited number of non-Audit engagements to be performed by the new external auditor who also briefed the Audit and Risk Committee on the first six months of the transition from EY to PwC. Finally the Audit and Risk Committee reviewed the recommendations submitted by the CSSF resulting from an analysis by the CSSF of the company's 2012 annual accounts.

After each meeting, the Board is briefed in writing about the work of the Audit and Risk Committee.

The Nomination Committee

In line with best practice in corporate governance, the Board established a Nomination Committee whose role is to identify and nominate suitable candidates for the Board of Directors, for election by the annual general meeting of shareholders. Such proposals are based on submissions from shareholders for a number of candidates at least equal to the number of posts to be filled for each class of shareholders. The Nomination Committee also proposes candidates for Executive Committee membership for election by the Board.

The Nomination Committee is composed of six members, at least half of whom are independent Board members in line with the SES internal regulations:
Mr René Steichen
Mr Marcus Bicknell (independent)
Mr Conny Kullman (independent)
Mr Marc Speeckaert (independent)
Mr François Tesch
Mr Jean-Paul Zens.

The Nomination Committee was chaired in 2013 by the Chairman of the Board. The Nomination Committee met nine times with an attendance rate of 89%. The main topics discussed related to the appointment of a new CEO, the appointment of a new CFO and the Management Succession Plan 2013 as well as to the preparation of the Board renewal.
After each meeting, the Board is briefed in writing about the work of the Nomination Committee.

The Executive Committee

Mission

The Executive Committee is in charge of the daily management of the group. It functions as a collegial

body. The Executive Committee is mandated to prepare and plan the overall policies and strategies of the company for approval by the Board. It may approve intra-group transactions, irrespective of the amount, provided that they are consistent with the consolidated annual budget of the company as well as specific transactions with third parties for an amount up to EUR 10 million per project. It informs the Board at its next meeting on each such transaction, it being understood that the aggregate amount for such projects can at no time be higher than EUR 30 million.

The Executive Committee may approve any external credit facilities or external guarantees, pledges, mortgages and any other encumbrances of the company, or any wholly-owned affiliate, for as long as the company will not lose its investment grade rating as a result of such facility or guarantee. It may approve increases of up to 5% in the capital expenditure budget for a satellite procurement already approved by the Board, it being understood that the Internal Rate of Return will need to comply with certain specific thresholds defined by the Board. The Executive Committee informs the Board at its next meeting of each such increase.

The Executive Committee submits to the Board those measures which it deems necessary to be taken in order to meet the purposes of the company. Prior to the beginning of each fiscal year, the Executive Committee submits to the Board a consolidated budget for approval.

The Executive Committee is in charge of implementing all decisions taken by the Board and by the committees specially mandated by the Board. The Executive Committee may, in the interests of the company, sub-delegate part of its powers and duties to its members acting individually or jointly.

The Chairman of the Executive Committee organises the work of the Executive Committee and co-ordinates the activities of its members, who report directly to him. In order to facilitate the implementation by the Board of its overall duty to supervise the affairs of the company, the Chairman of the Executive Committee informs the Chairman of the Board on a regular basis of the company's activities. The latter receives the agenda and the minutes of all meetings of the Executive Committee in due time. During 2013, the Executive Committee met 44 times, with an attendance rate of more than 95%. Mr Pierre Margue, Vice President, Legal Services Corporate and Finance, the secretary of the Board of Directors, also acted as secretary to the Executive Committee.

Composition

The following persons are members of the Executive Committee:

- the President and CEO who assumes the chairmanship of the Executive Committee
- the CEO Designate
- the Chief Financial Officer
- the Chief Commercial Officer
- the Chief Development Officer, and
- the Chief Technology Officer.

Members of the Executive Committee are nominated by the Board of Directors upon a proposal from the Nomination Committee.
The current members of the Executive Committee are:

Mr Romain Bausch

Born July 3, 1953, Mr Bausch has been President and Chief Executive Officer of SES since 1995, following a career in the Luxembourg civil service (Ministry of Finance). Before joining SES as its chief executive, Mr Bausch occupied key positions in the banking, media and telecommunications sectors and spent a five-year term as a Director and Vice Chairman of SES. Mr Bausch is also Chairman of the Board of Directors of SES ASTRA and Vice Chairman of the Board of Directors of O3b Networks. Mr Bausch also serves as a Director of Fedil – Business Federation Luxembourg and is a member of the Boards of Directors of Aperam, BIP Investment Partners and Compagnie Financière La Luxembourgeoise. He graduated with a degree in economics (specialisation in business administration) from the University of Nancy. He holds an honorary doctorate from the Sacred Heart University in Luxembourg.

Mr Bausch is a Luxembourg national. He will retire as President and CEO effective April 3, 2014.

Mr Karim Michel Sabbagh

Born September 26, 1963, Mr Sabbagh joined SES on September 1, 2013 as CEO Designate. He is a member of the SES Executive Committee and serves on the Board of SES ASTRA, O3b and YahLive He served on the Board of SES from April 7, 2011 until August 31, 2013 and was a member of the Audit and Risk Committee of SES for the same period. He was a Senior Partner and a practice and regional leader for communications, media & technology at Booz & Company. At Board and Chief Executive levels, he has shaped and served the strategic agenda of global players in the communications, media and satellite sectors. He has led end-to-end multinational teams in long-term, large-scale privatizations, international expansion, mergers and acquisitions, growth acceleration and strategy-based transformation programmes. Mr Sabbagh is a visiting professor in technology management and member of the Academic Council for the School of International Management at Écoles des Ponts et Chaussées ParisTech (Grandes Écoles) in France. He holds a BBA with Distinction from the American University of Beirut, an MBA from the American University of Beirut, a PhD with Honors in strategic management from the American Century University in New Mexico, and a DBA in international business management from the International School of Management.

Mr Sabbagh is a Canadian and Lebanese national. He will succeed to the President and CEO, effective April 4, 2014.

Mr Padraig McCarthy

Born September 27, 1960, and appointed Chief Financial Officer on 4 April 2013, Padraig McCarthy started his career with SES in 1995 and is a skilled satellite finance executive, having held senior finance positions throughout his career in the company. As of 2001, Mr McCarthy has been the CFO of SES ASTRA and, since the integration of SES ASTRA and SES WORLD SKIES into SES, Senior Vice President Financial Operations & Business Support at SES. Mr McCarthy is a Director of SES ASTRA and an alternate Director of Yahlive. Prior to joining SES, he occupied various positions with KPMG, Schering Plough and Norton S.A (an affiliate of Saint Gobain). Mr McCarthy holds a bachelor's degree in Commerce from the University College Cork and is a fellow of the Irish Institute of Chartered Accountants.

Mr McCarthy is an Irish national.

Mr Martin Halliwell

Born April 20, 1959, and appointed Chief Technology Officer on May 1, 2011. Mr Halliwell was President of SES ENGINEERING from January 1, 2008 to April 2011. Prior to this assignment, Martin Halliwell held the position of SVP and Chief Technology Officer at SES ASTRA, where he was responsible for all engineering and operational activities. In the course of his career at SES ASTRA, Mr Halliwell held a number of positions, including General Manager, Global Multimedia Networks, Technical Director of SES Multimedia and Deputy to the Technical Director of SES ASTRA. Prior to joining SES, Martin Halliwell worked for Cable & Wireless and for Mercury Communications.Mr Halliwell holds a BA in Mathematics and Mechanical Engineering and an MBA specialising in external environment and strategic management from the Open University. Mr Halliwell is a member of the Board of SES ASTRA and of O3b Networks.

Mr Halliwell is a British national.

Mr Ferdinand Kayser

Born July 4, 1958, and appointed Chief Commercial Officer of SES on May 1, 2011. Mr Kayser was previously President and Chief Executive Officer of SES ASTRA as of January 2002. Mr Kayser came to SES from Premiere World, the digital pay-TV bouquet of Germany's Kirch Group, where he was Managing Director between 1997 and 2001. Prior to joining the Kirch Group, Mr Kayser held a number of executive positions at CLT, Europe's largest commercial broadcaster, including Senior Vice

President in charge of German TV and radio activities (1989–1992), Managing Director in charge of the launch of RTL2 (1993) and Executive Vice President and member of the Management Board responsible for all TV activities of CLT (1993–1996). Mr Kayser holds a Master of Economics from the University of Paris 1, Panthéon-Sorbonne, and has concluded specialised university studies in Media Law and Management of Electronic Media. Mr Kayser is a member of the Boards of SES ASTRA and YahLive.

Mr Kayser is a Luxembourg national.

Mr Gerson Souto

Born June 14, 1964, and appointed Chief Development Officer of SES on May 1, 2011. Mr Souto joined SES in 1998 for a career in the Business Development function and held various executive positions within SES. Since 2009, Mr Souto was a member of the executive management of SES WORLD SKIES with responsibility for commercial services; prior to that and since 2007, he held similar responsibilities at SES' NEW SKIES division. Prior to joining SES, Mr Souto worked for Intelsat and at Embratel. Mr Souto holds an MBA from George Washington University in Washington, D.C., an MA in Telecommunication Systems from the Pontifical Catholic University in Brazil, and a bachelor's degree in Telecommunication Engineering from the Federal Fluminense University in Brazil. Mr Souto is a member of the Boards of SES ASTRA and of O3b Networks.

Mr Souto is a Brazilian national.

Remuneration

Remuneration of the members of the Board of Directors

The annual general meeting of shareholders determines the remuneration of the members of the Board of Directors for attending Board and committee meetings. In 2013, the shareholders decided to maintain the fees paid to the directors at the previous year's level with a majority of more than 99.99%. Directors receive a fixed fee of EUR 40,000 per year, whereas the Vice Chairmen and the Chairman of the Audit and Risk Committee receive an annual fixed fee of EUR 48,000 and the Chairman receives EUR 100,000 per year.

The shareholders also maintained the fees per meeting at EUR 1,600 for each meeting of the Board or a committee of the Board attended. Half of that fee is paid if the director participates via telephone or videoconference in the meeting.

All these fees are net of any Luxembourgish withholding taxes. The total net remuneration fees paid for the year 2013 to the members of the Board of Directors (net of the Luxembourgish withholding tax) amounted to EUR 1,126,267, of which EUR 345,600 were paid as variable fees, with the remaining EUR 780,667 representing the fixed part of the Board fees. The gross overall figure for the year 2013 was EUR 1,407,833.

Company stock owned by members of the Board of Directors

On December 31, 2013, the members of the Board of Directors and their closely associated family members owned a combined total of 832,787 shares and FDRs (representing 0.16% of the company's share capital).
Transactions made by members of the Board of Directors are published on the company's website under Management Disclosures. In accordance with the company's Dealing Code, directors require prior permission before dealing in SES shares or FDRs.

Remuneration of the members of the Executive Committee

The remuneration of the members of the Executive Committee is determined by the Remuneration Committee. It is composed of a fixed and a variable part. The total gross remuneration paid to the six members of the Executive Committee relative to the year 2013 amounted to EUR 10,669,893.15 of

which EUR 3,367,417.92 represented the fixed part and EUR 7,302,474.96 the variable part. The direct remuneration paid to the members of the Executive Committee amounted to EUR 4,926,797.34 whereas the indirect remuneration was EUR 5,743,095.77. The indirect remuneration also contains the benefits derived by the members of the Executive Committee from the company's executive stock option plan and the long-term incentive plan, as adopted by the Board of Directors. During 2013, the members of the Executive Committee were awarded a combined total of 148,184 options to acquire company FDRs at an exercise price of EUR 23.87, the price being based on the average of the closing price on Euronext Paris of the first 15 trading days following the Remuneration Committee meeting at which the options were authorised. A quarter of those options vested on January 1, 2014, the remaining quarters vesting on January 1, 2015, 2016 and 2017, respectively. In 2013, members of the Executive Committee were granted 73,326 restricted shares as part of the company's long-term incentive plan, as well as 24,288 performance shares. These shares will vest on June 1, 2016.

During 2013, Messrs Romain Bausch, Martin Halliwell, Ferdinand Kayser, Padraig McCarthy and Gerson Souto sold some or all of the restricted shares which vested on June 1. SES publishes the details of all transactions made by its Board members and by the members of its Executive Committee on its website: http://www.ses.com/management-disclosures.

Each member of the Executive Committee is entitled to two years of base salary in case his contract is terminated without cause. If they resign they are not entitled to any compensation.

Company stock owned by members of the Executive Committee

On December 31, 2013, the six members of the Executive Committee then in place owned a combined total of 293,699 shares and FDRs (representing 0.06% of the company's share capital), 299,154 unvested restricted and performance shares and 1,222,174 options. Transactions made by members of the Executive Committee are published on the company's website under Management Disclosures. Members of the Executive Committee are required to comply with the company's dealing code.

External auditor

In accordance with the Luxembourg law on commercial companies, the company's annual and consolidated accounts are certified by an external auditor appointed by the annual general meeting of shareholders. On April 4, 2013, and based upon a proposal from the Board, the shareholders elected PwC as the company's external auditor for one year and approved its remuneration, with a majority of more than 99.4%. The mandate of PwC will expire at the annual general meeting on April 3, 2014.

Business risks and their mitigation

This section contains a summary of the main risks that SES may face during the normal course of its business. However:

- this section does not purport to contain an exhaustive list of the risks faced by SES and SES may be significantly affected by risks that it has not identified or considered not to be material;
- some risks faced by SES, whether they are mentioned in this section or not, may arise from external factors beyond SES's control;
- where mitigations are mentioned in this section, there is no guarantee that such mitigations will be effective (in whole or in part) to remove or reduce the effect of the risk.

Risks relating to procurement

Risk of launch delays and/or launch failures
SES is planning to launch four satellites between 2014 and 2016. The launch of any of these satellites carries a risk of delay for a variety of reasons, including the late availability of the satellite or co-passenger satellite for shipment to the launch site, the late availability of the launch service or last-minute technical problems arising on the satellite, co-passenger satellite or launcher.

A launch delay or failure could have a material negative effect on revenue and also potentially cause

the loss of frequency rights at certain orbital positions. Satellite launch and in-orbit insurance policies do not compensate for lost revenues due to the loss of customers or for consequential losses resulting from any launch delay or failure.

SES attempts to mitigate the risk of a launch delay interrupting existing services by leaving large time margins in procurement schedules for replacement satellites.

There is always an inherent risk of launch failure in the form of a reduced satellite lifetime (in case of incorrect orbit injection), reduced functionality of the satellite or the total loss of a mission.

SES attempts to mitigate the risk of launch failure in several ways, including by detailed technical risk management of each satellite and launch vehicle programme, asset insurance for each launch and a staggered fleet deployment scheme (allowing assets to be repurposed in the case of single satellite failure so as to ensure a minimum impact on customers and revenues).

Risk of dependency on launch service providers

SES is largely dependent on Arianespace, ILS and SpaceX to launch its satellites into space. SES may incur significant delays in launching new satellites in the event of a prolonged unavailability of one of those three systems.

Risk of dependency on satellite manufacturers and secondary suppliers

SES is dependent on six major satellite manufacturers for the construction of its satellites.

Dependency on a small number of satellite manufacturers may reduce SES's negotiating power and access to advanced technologies (which may only be available to certain suppliers). It may also result in a higher concentration of risk – SES may incur significant delays in procuring new satellites in the event of prolonged problems at one of these satellite manufacturers. Further, the difficulties caused by any technical problems with the design of a particular model of satellite may be multiplied if several satellites of that design are purchased.

In addition, there are a limited number of second tier suppliers of certain key components for communication satellites. SES may incur significant delays in launching new satellites in the event of prolonged problems at one of these secondary suppliers.

SES attempts to mitigate this risk by a constant monitoring of its supplier base, maintaining multiple procurement sources and developing relationships with new suppliers to the extent possible.

<u>Risks relating to satellites</u>

Risk of in-orbit failure

One or more of SES' satellites may suffer in-orbit failures, ranging from a partial impairment of their commercial capabilities to a total loss of the asset. In the event of such a failure, SES may not be able to continue to provide service to its customers from the same orbital slot or at all.

SES attempts to mitigate the risk of in-orbit failure by careful vendor selection and high quality in-orbit operations. SES' fleet is diversified by manufacturer and satellite type, which reduces the likelihood of widespread technical problems. The impacts of such failures on customer service and related revenues are mitigated by an in-orbit backup strategy, where customers on an impaired satellite can be transferred to another satellite in the fleet. However, there is no guarantee that these mitigations will be entirely effective, especially in the event of the failure of several satellites.

For example, several of SES's satellites are operating beyond the end of their design life and have experienced various technical anomalies. These satellites have already completed the primary missions for which they were designed and have been redeployed for secondary missions. Satellites in secondary missions are used for various reasons, such as developing new orbital locations,

safeguarding spectrum rights and providing redundant capacity for satellites in their primary missions. These satellites' technical capabilities do not generally need to be fully utilised in operating their secondary missions, which potentially mitigates the effects of further technical failures.

In addition, eleven of SES' Lockheed Martin A2100 have experienced technical problems with their solar array circuits. The extent of the problem varies depending on the satellite but it may reduce both the operational life of the satellite and the number of usable transponders, leading to a reduction in the revenue generated by the satellite. All of the satellites with solar array issues are still being used for their primary missions, with the exception of AMC-4 and NSS 7, which are being used for secondary missions.

NSS 12, a satellite built by Space Systems Loral, has also experienced solar array power losses. However, appears to be less severe than the Lockheed Martin A2100 solar array issue and SES does not believe a specific mitigation plan is needed at this point.

Several of SES's satellites (AMC-4, ASTRA 1G, ASTRA 1H, ASTRA 1M, ASTRA 2B and NSS 7 and Quetzsat) have experienced various other anomalies.

Technical failures have resulted in a reduction of available capacity on ASTRA 1G and a reduction in the operational life of ASTRA 1H. There is no risk of a recurrence of these issues on these satellites.

AMC-4 and NSS 7 have completed their primary missions and as a result no mitigation is in place.

ASTRA 1M, which is a key asset at the 19.2°E prime orbital position, has currently lost redundancy on its propulsion subsystem. Further technical problems on the propulsion system could result in the loss of the satellite. However, SES believes that such an event is unlikely and the risk is mitigated by the additional capacity at this orbital.

Quetzsat-1 has experienced the loss of redundancy in its data handling equipment and further technical problems with this sub-system could result in the loss of the satellite. However, SES believes that the possibility of such an event happening is unlikely.

In-orbit insurance constitutes an additional financial mitigation against the risk of impairments, subject to the limitations of such insurance.

Risk of short operational life

The expected design life of SES's satellites is typically 15 years. In the event of changes in the expected fuel life of the satellite, in-orbit anomalies or other technical factors, its actual life may be shorter than this. This could lead to the satellite being depreciated faster than anticipated and the lifetime revenue generated by the satellite being reduced, diminishing the overall return on investment for the asset. SES attempts to mitigate the risk of a reduced operational life by careful vendor selection and high quality in-orbit operations.

<u>Risks relating to insurance</u>

Insurance coverage risk

SES's satellites may be subject to damage or loss from events that might not be covered by insurance policies. SES maintains launch and initial in-orbit insurance, in-orbit insurance and third party liability insurance for its satellites. The insurance policies generally contain exclusions from losses resulting from:
- military or similar action;
- any anti-satellite device;
- electromagnetic and radio interference (except for physical damage to a satellite directly resulting from this interference);
- confiscation by any governmental body;
- insurrection and similar acts or governmental action to prevent such acts;

- nuclear reaction or radiation contamination;
- wilful or intentional acts causing the loss or failure of satellites; and
- terrorism.

The insurance policies do not provide compensation for business interruption, loss of market share, reputational damage, loss of revenue, incidental and consequential damages and similar losses that might arise from the failure of a satellite launch, incorrect orbital placement or the failure of a satellite to perform according to specifications. In addition, SES's in-orbit insurance only covers losses in excess of the risk retention level selected by SES.

The in-orbit insurance policies may exclude from coverage failures arising from pre-existing defects, such as defects in solar array and battery anomalies of some existing satellites. In addition, SES will not be fully reimbursed if the cost of a replacement satellite exceeds the sum insured. As a consequence, the loss, damage or destruction of any satellites as a result of any of these events could result in material increases in costs or reductions in expected revenues or both.

SES has reviewed its approach to in-orbit insurance of its satellites and, in recognition of the excellent procurement and operating record, has adopted a policy of limited self-insurance. Premiums are paid to a wholly-owned subsidiary, thus reducing the amount of insurance premiums paid to external insurance companies.

If any event occurs that is covered by the in-orbit insurance, the payment of the sum insured could result in material increases in costs.

SES has third party liability insurance that covers damage suffered by third parties resulting from accidents such as launch failures and satellite collisions. It is subject to an annual combined single limit of €500 million of coverage.

Insurance availability risk

Satellite insurance is a cyclical market dominated by the law of supply and demand. The amount of capacity currently available in the market is adequate to cover SES satellite programmes. However, events outside SES's control – including large losses and shifts of insurance capacity from space to other lines of business – could change this situation. This could result in increases in the amount of insurance premiums paid by SES to cover its risks and affect its ability to obtain the desired level of coverage.

SES's self-insurance programme improves its flexibility to accommodate variations in market conditions.

Risks relating to customers

Risk of key customer loss

SES depends on a number of key customers whose loss (or non-renewal) would reduce SES' revenues. SES's five largest commercial customers, represented 23.4% of SES's total revenues in 2013. The total revenue generated from contracts with the U.S. government (and customers serving the U.S. government) represented approximately 10% of SES's total revenues in 2013.

If key customers reduce their reliance on SES by developing or increasing relationships with other satellite operators (or moving to other telecommunications solutions) and such key customers cannot be replaced, SES's revenues may be impacted negatively.

SES's main existing satellite capacity agreements for direct to home in Europe typically have contract durations of ten years, with some contracts for longer periods. If SES is unsuccessful in obtaining the renewal of its satellite capacity agreements when they come up for renewal on commercial terms similar to those currently reflected in its agreements, revenues could be adversely affected for some time.

SES's customer base is subject to constant change. Bankruptcy of key customers or customer consolidation resulting from mergers and acquisitions can reduce demand for SES's satellites capacity, thereby affecting SES's revenues.

Risks relating to customer credit

SES may suffer a financial loss if any of its customers fail to fulfil their contractual payment obligations.

The level of customer credit risk may increase as SES grows revenues in emerging markets because credit risk tends to be higher in these markets (compared to the mature markets of Europe and North America).

This risk is mitigated principally through a customer credit policy that includes credit checks, credit profiles, deposits or other forms of security, monitoring of payment performance and the application of a provisioning policy.

Further details are provided in Note 19 to the consolidated financial statements.

Risks inherent in international business

SES conducts business around the world. It is exposed to issues such as financial, regulatory, geopolitical, tax and trade risks in many jurisdictions. Political and financial stability in some jurisdictions may impact SES's business in that country. In practice, it may be difficult for SES to enforce its legal rights in some jurisdictions.

The inherent instability of doing business in certain jurisdictions may have a negative impact on SES's revenues.

Risks inherent in doing business with the U.S. government

The proxy structure of the SES Government Solutions entity, in line with common practice for businesses serving certain segments of the U.S. government, imposes various restrictions on SES's Board of Directors and executive management in directly supervising the maintenance of an internal control system and imposing an internal audit structure. However, these restrictions are mitigated through having an agreement on a required risk management and internal control framework.

Risks relating to the satellite communications market

Competition risk

The telecommunications market is fiercely competitive and SES faces competition from satellite, terrestrial and wireless networks.

SES faces competition from international, national and regional satellite operators. Some national operators receive tax and regulatory advantages in their country which are not available to SES. The development of national satellite programmes may hinder SES's ability to compete in those countries on normal economic terms.

In addition, SES competes with operators of terrestrial and wireless networks. Any increase in the technical effectiveness or geographic spread of these terrestrial and wireless networks could result in a reduction in demand for SES's satellites. Some terrestrial and wireless operators may receive state aid and subsidies not available to SES.

Competition in the telecommunications market could result in a demand reduction for SES's satellite capacity and have a significant negative impact on SES's results.

Technology risk

The satellite telecommunications industry is vulnerable to technological change. SES's satellites could become obsolete due to unforeseen advances in telecommunications technology leading to a reduction in demand for its services and a negative impact on revenues.

The use of new technology to improve signal compression rate could lead to a reduction in demand for SES's satellites, which, if not offset by an increase in demand, could lead to a negative impact on the results.

<u>Risks relating to SES' strategic development</u>

Emerging market risk

SES's development strategy includes targeting new geographical areas and emerging markets and potentially to develop joint ventures or partnerships with local telecommunications, media and financial businesses in order to improve market access for its services.

SES may be exposed to the inherent instability of doing business in those regions. Such inherent instability could have an adverse impact on SES's revenue.

Please also see "Risks inherent in international business" above.

In some emerging markets, customers may be less financially secure and run a higher risk of insolvency than in more developed markets. The failure of a customer could have an adverse impact on SES's revenue.

Investment risk

SES regularly evaluates opportunities to make strategic investments. These opportunities may not yield the expected benefits due to a number of factors such as antitrust reviews, financing costs and regulatory approvals. If an investment is made, it may adversely affect SES's results due to financing costs or the performance of the investment following acquisition.

SES has a number of strategic investments in businesses that it does not fully control. As a result, SES is dependent in part on the cooperation of other investors and partners in protecting and realising the full potential of certain investments. SES may not be able to prevent strategic partners from taking actions that are contrary to SES's business interests.

SES also invests in new and innovative projects such as O3b Networks, which often feature new technology or uncertain market demand. If the technology is not successful or demand does not materialise as planned, the value of SES's investment may be reduced.

In relation to O3b, there can be no assurance that the business will not require further funding. If SES was to increase its investment in O3b to over 50%, it would have to include O3b's indebtedness in SES' financial statements. It may also have to purchase the shares of the minority investors at a fair market value.

SES has also earmarked certain funds for investment, which includes the replacement of existing satellites (often with increased capacity) and the launching of new satellites. The successful marketing and sale of new capacity is dependent on the underlying demand for satellite capacity in the targeted regional markets. If that demand does not materialise as anticipated, SES's financial forecasts may not be met.

<u>Risks related to Regulatory and Corporate</u>

Legal risk

SES cannot always predict the impact of laws and regulations on its operations. The operation of the

business is and will continue to be subject to the laws and regulations of the governmental authorities of the countries where SES operates or uses radio spectrum and offers satellite services or capacity, as well as to the frequency co-ordination process of the International Telecommunication Union (ITU). Regulation and legislation is extensive and outside SES's direct control. New or modified rules, regulations, legislation or decisions by a relevant governmental entity or the ITU could materially and adversely affect operations.

The international nature of SES's business means that it is subject to civil or criminal liability under the U.S., UK, EU and other regulations in relation to economic sanctions, export controls and anti-bribery requirements. International risks and violations of international regulations may negatively affect future operations or subject SES to criminal or civil enforcement actions.

Disputes in relation to SES's business arise from time to time and can result in legal or arbitration proceedings. The outcome of these proceedings cannot be predicted. A negative outcome in a substantial litigation or arbitration case could have a material impact on SES's business and financial position.

Spectrum access risk

SES needs access to orbital slots and associated frequencies to permit it to maintain or grow its satellite system.

The ITU establishes radio regulations and is responsible for the allocation of frequency spectrum for particular uses and the allocation of orbital locations and associated frequency spectrum. SES can only access spectrum through ITU filings made by national administrations.

Orbital slots and associated frequencies are a limited resource. The ITU may reallocate spectrum from satellite to terrestrial uses. In addition, national administrations are increasingly charging for access to spectrum by the use of fees and auctions.

Any reallocation of spectrum from satellite to terrestrial uses or charging by national administrations may have a significant adverse effect on SES's current results and future prospects.

Spectrum co-ordination risk

SES is required to co-ordinate the operation of its satellites with other satellites operators through the ITU so as to prevent or reduce interference between satellites. SES may also be required to co-ordinate any replacement satellite that has performance characteristics which differ from those of the satellite it replaces.
As a result of such co-ordination, SES may be required to modify the proposed coverage areas of its satellites, satellite design or transmission plans in order to eliminate or minimise interference with other satellites or ground-based facilities. Those modifications may mean that use of a particular orbital position is significantly restricted, possibly to the extent that it may not be economical to place a new satellite in that location. In addition, interference concerns of a country may affect the ability of SES's satellite network to generate revenues, due to the operational restrictions that the country may impose.

Similarly, the performance of SES's satellites in the affected areas could be adversely affected if ITU regulations or other legal constraints fail to prevent competing satellite operators from causing harmful interference by the operation of their satellites.

Spectrum bringing into use risk

If SES does not

- occupy unused orbital locations by specified deadlines, or
- does not maintain satellites in the orbital locations it currently uses, or
- does not operate in all the frequency bands for which a licence has been received,

those orbital locations or frequency bands may become available for other satellite operators to use.

SES has access to a large portfolio of orbital locations that have been filed at the ITU through various administrations. For each filing, the ITU and the national regulators impose various conditions that have to be met in order to secure the spectrum. Operational issues such as satellite launch failure, launch delay or in-orbit failure might compromise the access to the spectrum at specific orbital locations. SES is committed to the highest quality in satellite procurement and launch, which helps to reduce this risk. In addition, SES's large fleet permits the relocation of in-orbit satellites in order to meet the regulatory conditions in many of the cases.

Regulatory risk

SES may need to obtain and maintain approvals from authorities or other entities to offer or operate satellite capacity. For example, SES must obtain authorisations or landing rights in certain countries for satellites to be able to transmit signals to or receive signals from those countries. The failure to obtain landing rights or the authorisations necessary to operate satellites internationally to provide services could lead to loss of revenues.

Customers are responsible for obtaining regulatory approval for their operations. As a result, there may be governmental regulations of which SES is not aware or which may adversely affect the operations of customers. SES could lose revenues if customers' current regulatory approvals do not remain sufficient in the view of the relevant regulatory authorities, or if additional necessary approvals are not granted on a timely basis, or at all, in all jurisdictions in which customers wish to operate or provide services or if applicable restrictions in those jurisdictions become unduly burdensome.

Export control

U.S. companies and companies located in the United States must comply with U.S. export control laws in connection with any information, products or materials that they provide to foreign companies relating to communications satellites, associated equipment and data. SES's U.S. operations may not be able to maintain normal international business activities and SES's non-U.S. operations may not be able to source satellites, satellite-related hardware, technology and services in the United States if:

- export licences are not obtained in a timely fashion;
- export licences do not permit transfer of all items requested;
- launches are not permitted in the locations that SES prefers; or
- the requisite licence, when approved, contains conditions or restrictions that pose significant commercial or technical problems.

Such occurrences could impede construction and delay the launch of any future satellites, adversely impacting current and/or future revenues.

External threat risk

In common with other satellite operators, SES is vulnerable to the risk of terrorist acts, sabotage, piracy, attack by anti-satellite devices, jamming, unintentional interference and natural disaster. Such external threats may lead to a temporary or permanent interruption in service and/or the loss of customers. Any such act could have a potentially significant adverse effect on SES's results.

Cyber risk

SES's operations may be subject to hacking, malware and other forms of cyber-attack. SES has put in place protections against these forms of cyber-attack and is continually updating its defences. However, the environment for cyber-attack is increasingly hostile and there remains a risk to SES.

Risk of loss of key employees

SES has a number of key employees with highly specialised skills and extensive experience in their fields. If one of these employees were to leave, SES may have difficulty replacing him or her. SES attempts to mitigate the risk of losing key employees through retention programmes, succession planning and development plans.

If SES is unable to retain key employees or attract new highly-qualified employees, it could have a negative impact on SES's business, financial situation and results.

Unforeseen high impact risk

SES's operations may be subject to unforeseen events which are both improbable and have a high impact. Due to the unforeseen nature of the event, it is difficult to manage the impact of such events or predict the nature or extent of the damage. Such unforeseen events may have a significant negative impact on SES' business, financial situation and results.

Risks relating to finance

Economic conditions risk

The global financial system has suffered considerable turbulence and uncertainty in recent years including the Eurozone sovereign debt crisis. This turbulence has contributed to a general economic slowdown in many of the countries where SES operates. This may have a negative effect on SES's performance if potential customers face difficulties funding their business plans, which could in turn delay the onset of new revenue.

Cash flow risk

SES operates a strong business model but if, for any reason, SES is not successful in implementing its business model, cash flow and capital resources may not be sufficient to repay indebtedness. If SES is unable to meet debt service obligations or comply with covenants, a default under debt agreements would occur. To avoid a possible default or upon a default, SES could be forced to reduce or delay the completion or expansion of the satellite fleet, sell assets, obtain additional equity capital or refinance or restructure its debt.

Debt rating risk

A change in SES' debt rating could affect the cost and terms of its debt as well as its ability to raise debt. SES's policy is to attain, and retain, a stable BBB rating with Standard & Poor's and Fitch, and a Baa2 rating with Moody's. If SES's credit rating was downgraded, it may affect SES's ability to obtain financing and the terms associated with that financing. SES cannot guarantee that it will be able to maintain its credit ratings.

Financial covenant risk

Many of SES' financing agreements require it to maintain a net debt to EBITDA ratio of not more than 3.5 to 1. Several major rating agencies have indicated that failure to comply with SES's policy of maintaining a ratio of not more than 3.3 to 1 could result in a review of SES' credit rating. Complying with this ratio may limit SES's flexibility and opportunities including by limiting capital expenditures and investments.

Tax risk

SES's financial results may be materially adversely affected by unforeseen additional tax assessments or other tax liabilities.

SES does business in many different countries and is potentially subject to tax liabilities in multiple tax jurisdictions. It has tax liabilities on its business operations in multiple jurisdictions. SES makes provisions in its accounts for current and deferred tax liabilities and tax assets based on a continuous assessment of tax laws relating to it.

However, SES cannot be certain of a tax authority's application and interpretation of the tax law. SES may be subjected by tax authorities to unforeseen material tax claims, including late payment interest and/or penalties. These unforeseen tax claims may arise through a large number of reasons including

identification of a taxable presence of a non-indigenous group company in a taxing jurisdiction, transfer pricing adjustments, application of indirect taxes on certain business transactions after the event and disallowance of the benefits of a tax treaty. In addition, SES may be subject to tax law changes in a taxing jurisdiction leading to retroactive tax claims.

SES has implemented a tax risks mitigation charter based on (among other things) a framework of tax opinions for the financially material tax positions taken by SES, transfer pricing documentation for the important inter-company transactions of SES, a transfer pricing policy and procedures for accurate tax compliance in all taxing jurisdictions.

Liquidity risk

SES requires liquidity to maintain its operations and meet its obligations. Any liquidity problems may have a significant impact on SES's operations and lead to the breach of contractual obligations. SES' objective is to efficiently use cash generated so as to maintain short-term debt and bank loans at a low level. In case of liquidity needs, SES can call on uncommitted loans and a committed syndicated loan. In addition, if deemed appropriate based on prevailing market conditions, SES can access additional funds through a European Medium-Term Note or commercial paper programme. SES's debt maturity profile is tailored to allow the company to cover repayment obligations as they fall due.

SES operates a centralised treasury function which manages the liquidity of SES in order to optimise the funding costs. This is supported by a daily cash pooling mechanism.

Further details are provided in Note 19 to the consolidated financial statements.

Foreign currency risk

SES's reported financial performance can be impacted by movements in the U.S. dollar/euro exchange rate as SES has significant operations whose functional currency is the U.S. dollar and liabilities denominated in U.S. dollar.

To mitigate this exposure, SES can enter into forward foreign exchange or similar derivatives contracts to hedge the exposure on financial debt or on the net assets.

Further details are provided in Note 19 to the consolidated financial statements.

Interest rate risk

SES's exposure to risk of changes in market interest rates relates primarily to SES' floating rate borrowings. SES carefully monitors and adjusts the mix between fixed and floating rate debt from time to time following market conditions. Interest rate derivatives can beused to manage the interest rate risk. The terms of the hedge derivatives are negotiated to match the terms of the hedged item to maximise hedge effectiveness.

Further details are provided in Note 19 to the consolidated financial statements.

Counterparty risk

SES exposure relates to the potential default of a counterparty holding financial assets (cash and cash equivalents, held for trading financial assets, loans receivable and derivative instruments), with the maximum exposure being equal to the carrying amount of these instruments.

The counterparty risk from a cash management perspective is reduced by the implementation of several cash pools, accounts and related paying platforms with different counterparties.

To mitigate the counterparty risk, SES only deals with recognised financial institutions with an appropriate credit rating – generally 'A' and above. All counterparties are financial institutions which are regulated and controlled by the national financial supervisory authorities of the applicable countries. The

counterparty risk portfolio is analysed on a quarterly basis. Moreover, to reduce this counterparty risk the portfolio is diversified as regards the main counterparties, ensuring a well-balanced relationship for all categories of products (derivatives as well as deposits).

Further details are provided in Note 19 to the consolidated financial statements.

Internal control procedures

Objective

The Board has overall responsibility for ensuring that SES maintains a sound system of internal controls, including financial, operational and compliance controls.

Such a system is an integral part of the corporate governance strategy of the company.

Internal control procedures help to ensure the proper management of risks and provide reasonable assurance that the business objectives of the company can be achieved.

The internal control procedures are defined and implemented by the company to ensure:

- the compliance of actions and decisions with applicable laws, regulations, standards, internal rules and contracts;
- the efficiency and effectiveness of operations and the optimal use of the company's resources;
- the correct implementation of the company's internal processes, notably those to ensure the safeguarding of assets;
- the integrity and reliability of financial and operational information, both for internal and external use;
- that management's instructions and directions are properly applied; and
- that material risks are properly identified, assessed, mitigated and reported.

Like all control systems, internal controls cannot provide an absolute guarantee that risks of misstatement, losses or human error have been totally mitigated or eliminated.

Control environment

SES has adopted a robust internal control framework based on a set of guidelines prepared by COSO (Committee of Sponsoring Organisations of the Treadway Commission). This framework provides reasonable assurance that the internal control objectives are being achieved; it is also consistent with the reference framework proposed by the French securities regulator, the 'Autorité des Marchés Financiers' (AMF).

The control environment is an essential element of the company's internal control framework, as it sets the tone for the organisation. This is the foundation of the other components of internal control, providing discipline and structure.

The Board has delegated the design, implementation and maintenance of a rigorous and effective system of internal controls to the Executive Committee of SES, which in turn works closely with the other levels of management in establishing control policies and procedures.

In the context of SES's organisational realignment in 2011, management undertook several initiatives to increase the internal efficiency and effectiveness of its operations. The descriptions of the main SES functions and processes have been reviewed and electronically documented using a Business Process Management software, with the support of the Operational Excellence Team. This has been supplemented by a review of all policies and procedures. The aim is to design and implement a common set of policies and procedures that best support the organisation and can be used company-wide.

The policies and procedures, which are formalised by the management of a department or cross-functional teams, apply to all employees, officers and directors of the company, its subsidiaries and other controlled affiliates as the general framework for their own business process design.

These policies and procedures also take into account specificities of each legal entity and are adapted where necessary to their activity, size, organisation, and legal and regulatory environment.

A 'Code of Conduct and Ethics' has been established to reinforce the corporate governance principles and control environment. This code is applicable to all employees, officers and directors of the company, its subsidiaries and other controlled affiliates. Regular refresher courses are presented to SES employees worldwide to ensure high level of awareness and compliance by SES staff.

The policies outlined in this code are designed to ensure that all employees, officers and directors act at all times in accordance with the applicable laws, regulations and norms of conduct, and with the highest standards of integrity. The code was submitted to the Audit and Risk Committee and has been approved by the Board. In addition, a Sales Agency and Representative policy has been adopted and implemented to further strengthen this process.

Employees and officers in all entities of the company have been informed of the content of the Code of Conduct and its applicable principles. An SES Compliance Committee, composed of designated Compliance Officers in each main company location, is tasked with raising the staff's awareness of the code and to ensure a consistent roll-out and training programme for the code. The committee meets regularly to discuss important topics or issues.

To ensure full compliance with the data protection laws and regulations, in 2013 SES has appointed a Data Protection Officer.

Another key component of the control environment is the co-ordination of risk management with internal control. Risk management and internal control systems complement each other in controlling the company's activities.

Risk management

SES has adopted a risk management policy based on principles proposed by COSO and ISO31000. The co-ordination of the implementation of this policy and the development of a risk register is the responsibility of a Risk Management Committee which reports to the Executive Committee of SES. The Executive Committee in turn reports to the Board, which has the ultimate responsibility for oversight of the company's risks and ensuring that an effective risk management system is in place. Common definitions and measures of risk management have been established and training has been provided to the various risk owners to ensure that the risk management policy is properly implemented. A risk management co-ordinator has been appointed in order to ensure the adequate review of the risks facing SES. Each reported risk is categorised, assessed by the risk owners, and reviewed by the Risk Management Committee. As a result of such review, a risk can be flagged as a 'top risk' which triggers additional analysis for that risk in order to determine the appropriateness and effectiveness of the risk response. All top risks are periodically reported to the Executive Committee, the Audit and Risk Committee, and the Board.

Internal control activities

Regarding the internal controls in the area of accounting and financial reporting, the following should be noted:

- Staff involved in the company's accounting and financial reporting is appropriately qualified and is kept up-to-date with relevant changes in International Financial Reporting Standards (IFRS). Additionally, specific training and written guidance on particular matters is provided where needed. A reporting handbook, regularly updated for business developments and regulatory changes, is available to all relevant staff members and provides a summary of the company's accounting and financial reporting guidelines and policies.

- Controls have been established in the processing of accounting transactions to ensure appropriate authorisations for transactions, effective segregation of duties, and the complete and accurate recording of financial information.

- Activities with a significant potential risk, such as financial derivative transactions, take place within a clearly defined framework approved by the Board, or are brought to the Board for specific approval. In accordance with the requirements of IFRS, SES discloses detailed information on the market, credit and foreign exchange risks to which it is exposed, as well as its strategy for managing those risks.

- The company relies on a comprehensive system of financial reporting. Strategic plans, business plans, budgets and the interim and full-year consolidated accounts of the company are drawn up and brought to the Board for approval. The Board also approves all significant investments. The Board receives monthly financial reports setting out the company's financial performance in comparison to the approved budget and prior year figures.

- Any weaknesses in the system of internal controls identified by either internal or external auditors are promptly and fully addressed.

- The external auditors perform a limited review of the company's half-year financial statements and a full audit of the annual consolidated financial statement.

Regarding the internal controls in the area of treasury management, the following should be noted:

- The treasury function uses a specific software that helps to ensure the efficiency and control of the implementation of the SES' hedging strategy for interest rate and foreign currency fluctuations. This software also aims to centralise the cash management of the SES affiliates.

- In order to ensure enhanced security and efficiency of the bank payments process, the company is using a secured banking payments system that allows for secured authorisation and transfer of payments from the SAP accounting systems directly to the bank.

- A clear segregation of duties and assignment of bank mandates between members of SES management, treasury and accounting departments is implemented.

- In order to streamline the cash management process, SES has centralised the in-house bank in one hub and further reduced the number of cash pools being used. This in house banking system is fully integrated and managed by the SAP system.

- SES predominately uses forward currency contracts to eliminate or reduce the currency exposure on single deals, such as satellite procurements, tailoring the maturities to each milestone payment. The foreign currency risk might be in EUR or USD. The forward contracts are in the same currency as the hedged item and can cover up to 100% of the total value of the contract. It is the company's policy not to enter into forward contracts until a firm commitment is in place, and to match the terms of the hedge derivatives to those of the hedged item to maximise effectiveness.

- The activities of the Treasurer, and in particular the hedging activities engaged during the year, are authorised within the framework approved by the Board.

- The Treasurer reports on a formal basis every quarter to the Board as part of the financial reporting.

- To further strengthen these controls, a treasury policy is regularly updated. In addition, a Foreign Exchange Risk Mitigation strategy, combined with a multiple year funding plan based on the SES business plan, was prepared and presented to the Audit and Risk Committee.

Regarding the internal controls in the area of tax management, the following should be noted:

- The tax management department aims to seek upfront tax clearance with relevant local tax authorities with regard to the tax ramifications of main business ventures, corporate reorganisations and financing structures of the company. Where this is not possible, the tax treatment is analysed based on best authoritative interpretations and reported in internal tax technical memos or tax opinions from external tax consultancy firms.

- The transfer pricing team is responsible for continuously improving and fine-tuning the required contemporaneous transfer pricing documentation underpinning all inter-company transactions of the company. SES' transfer pricing reports (including functional and economic analyses including benchmarking studies), are embedded in a framework consisting of a master file and a transfer pricing policy.

Regarding the internal controls in the area of satellite operations, the following should be noted:

- SES's Technology Department is responsible for the procurement of satellites, launch vehicles, the procurement and maintenance of satellite-related ground infrastructure, and the administration, control and operations of the global satellite ecosystem.

- The reporting of the satellite-procurement and operations risk management process that is in place to monitor and assess sources of technical risks and to develop qualitative, quantitative and statistical methods which allow the mitigation of risk at the satellite fleet level has been integrated into the company's Risk Management framework.

- The operational procedures for satellite control and payload management cover manoeuvres and configuration changes required in nominal situations as well as in case of technical emergencies. The controllers are trained and certified in the execution of such procedures. These procedures are periodically reviewed to ensure that they are up-to-date. An up-to-date satellite control software is being used and fully validated electronic station-keeping procedures are being applied throughout the entire SES fleet.

- SES has designed crisis management systems and supporting infrastructure and tools in order to address satellite in-orbit anomaly situations at an appropriate management level. An effective 'trouble tickets' escalation process is used to provide effective and timely support to customers.

- The Satellite Contingency and Emergency Response Process reflects the current company's organisational structure.

- SES has adequate satellite control backup capability utilising European and U.S.-based Satellite Operations Centres ('SOCs').

- TT&C functions in the U.S. are being moved from the Woodbine and Vernon Valley SOCs to Princeton, NJ.

- Adequate backup capabilities are currently implemented in the following areas:
  - The TT&C function is currently provided for each satellite via at least two independent antenna sites. The sites are connected via a ground dual-redundant state of the art network to at least two site diverse SOCs. SOC consolidation in the US is well progressing and will finish by the end of Q3 2014. SOC move in Betzdorf to new finished building is under preparation and will conclude by the end of 2014. Both SOC projects will increase the satellite control efficiency and network security;

  - A backup Ground Control System for Loral and Astrium spacecrafts has been installed in the U.S. to support the emergency disaster recovery capabilities of the European SOC;

- The global network that supports TT&C (telemetry, tracking and control) has been greatly strengthened by deploying a dual-redundant state-of-the-art MPLS network connecting all the SOCs and TT&C sites worldwide.

- The alternative European back-up of the TT&C functions has been built out for SES needs with a fully operational backup plan for all ASTRA satellites.

- In 2013 the required TT&C infrastructure for new satellite missions, as well as for relocation missions, were provided within the existing back-up concept.

Regarding the internal controls in the area of information and communication technology, the following should be noted:

- Management is committed to ensuring that its data, infrastructure and information technology systems are as secure as is reasonably practicable. Security controls, policies and procedures are in place to prevent unauthorised access to premises, computer systems, networks and data. Policies and procedures have been defined and implemented in order to address the more rigorous regulations governing handling of personally identifiable data.

- Electronic information is regularly backed up and copies are stored off-site.

- SES has disaster recovery plans for its business applications.

- An ongoing Information Systems security enhancement initiative has been started by Information Technology in 2012 to ensure that the impact of new security threats is identified and assessed, and that potential risks are adequately mitigated.

Information and communication

A project to align and harmonise all front- and back-office business processes in SES was completed in 2013. The main components of a new ERP system, Customer Relation Management system and back-office business processes were commissioned into use on January 1, 2013.

The single integrated and company-wide SAP application platform enhances and enables consistency and transparency of all business data throughout SES, fast consolidation of financial data, and accurate real time reporting on all levels is facilitated by this system. The harmonised processes and SAP application platform also enhance the general and IT internal control systems of SES.

Internal communication ensures the effective circulation of information and supports the implementation of internal control and risk management by providing business and functional objectives, instructions and information to all levels of SES. The corporate intranet portal and collaboration tools are instrumental to sharing and disseminating information throughout the company.

Monitoring activities

Monitoring is done in two ways: through ongoing evaluations or separate evaluations. Ongoing evaluations are performed by management as routine operations, built into business processes and performed on a real-time basis, reacting to changing conditions.

The SES Internal Audit function performs separate evaluations of the relevance of, and compliance with, company policies and internal control procedures.

The mission of the Internal Audit function is to provide independent and objective assurance regarding the effectiveness and efficiency of business operations, the reliability of financial and operational reporting, and the company's compliance with legal and regulatory requirements. In this

context, Internal Audit is also tasked to support management with identifying, preventing and minimising risks, as well as safeguarding the company's assets.
To ensure an appropriate level of independence and communication, the Internal Audit function has a direct reporting line into the Audit and Risk Committee and reports functionally to the President and CEO of SES.

The activities of the Internal Audit function are executed in accordance with an annual audit plan, which is reviewed and approved by the Audit and Risk Committee. This annual plan is derived from an annual risk assessment based on a risk mapping exercise relying on the SES risk register. The annual risk assessment responds to the need to dynamically link the audit plan to risks and exposures that may affect the organisation and its operations. This exercise involves identifying the inherent risks relative to all business processes and then assessing the levels of residual risks after consideration of specific mitigating controls.

Internal Audit monitors the implementation of internal control recommendations and regularly reports on effective compliance to the President and CEO of SES and to the Audit and Risk Committee.

Internal Audit also regularly co-ordinates audit planning and exchanges relevant information with the company's external auditors.

The proxy structure of the SES Government Solutions entity, in line with common practice for businesses serving certain segments of the U.S. government, imposes various restrictions on the Board and executive management in directly supervising the maintenance of an internal control system and imposing an internal audit structure. The SES Internal Audit function did not perform any direct internal control review of this entity during 2013, in line with the imposed restrictions. However, these restrictions are mitigated through having agreement on a required risk management and internal control framework which is subject to evaluation and testing by a third-party internal audit function. An adequate reporting process of activities of the third-party audit function to the Internal Audit function and Audit and Risk Committee has been put in place.

It should be further noted that in any event PwC, as external auditor, reviewed the stand-alone accounts of SES Government Solutions.

Human resources

Human resources strategy

SES strives to be the employer of choice in the industry. The company identifies, secures, engages, develops and retains the best talent to further expand its technological reach and business objectives.

SES respects and trusts its people, embraces diversity and lives by its values. SES senior managers have a responsibility as role models to all SES employees, and must therefore act in accordance with the guidelines laid down for SES senior management. SES employees are engaged, committed and proud to be associated with their company.

To leverage the employees' full potential, SES focuses on competency development, alignment of objectives and knowledge sharing. SES ensures that every employee has the necessary resources and support to be successful in his or her career within the context of its performance management system. Human Resources is the catalyst to drive organisational and cultural initiatives leading to sustainable stakeholders' value creation.

SES employees

As of December 31, 2013, the Group employed 1,237 individuals worldwide (counted in full time equivalents (FTEs)), comprising 448, 364, 365 and 60 FTEs in Luxembourg, the rest of Europe, the United States and the rest of the world, respectively.

SES values and culture

SES' employees observe a common set of core values, which provide guidance for their activities. These values inspire a unique organisational culture and reflect SES' aspirations which are geared towards achieving the highest performance at the service of customers, shareholders and society at large. SES' values are primarily focused on providing highest-quality customer service.

They are:
Excellence
Having the passion and commitment to be the best in the industry.
Partnership
Developing and maintaining co-operative relationships which build upon SES' strengths and skills to achieve common goals and benefits at the service of the customers.
Leadership
Articulating strategic vision, demonstrating values and creating an environment in which SES can meet the needs of the marketplace.
Integrity
Consistently applying the principles of honesty, accountability, responsibility, fairness and respect.
Innovation
Establishing a business culture that stimulates creativity across the organization, develops employees' skills and improves processes, products and services.

The Human Resources (HR) function

SES is supported by a team of HR professionals based in the company's major locations around the world. HR strategy and objectives are aligned with the business objectives, decisions and guidance of SES's Executive Committee. A major task in 2013 was to support growth in the emerging markets (Africa, Latin America, Asia/Middle East) by assisting in the opening of new offices, establishing an organisation structure in the markets, hiring local staff and transferring employees from mature to emerging markets.

Development of the company's intranet has been ongoing, ensuring employees receive the most up-to-date and relevant information according to location and entity. The intranet continues to be the main vehicle for employee communications. Additionally, the company's vision and business strategy are conveyed successfully to all employees to strengthen awareness and engagement.

The Human Resources Team worked towards bringing all entities within SES under one framework and in 2013 introduced a harmonised approach in coordination with the respective department towards Information Security, Data Protection and Social Media. The SES Bonus Plans were aligned and a global Social Report was delivered. In addition, SES rolled out an anti-bribery training to all Employees.

A learning organisation

We believe that highly qualified and motivated employees continue to be the foundation of our success as a company. SES, through the Learning and Development (L&D) function is committed to enhancing organizational effectiveness by continuously improving employees' abilities to maximize performance. Employees' growth and development opportunities are provided through classroom training, e-learning, external courses, conferences and tuition assistance. As a structure, we use the following five training categories:

- Customer
- Leadership
- Technology
- Professional Development
- Compliance

Three key principles guide our learning and development efforts:

- Leaders as Teachers: Bi-directional learning with SES's experts as trainers
- Multimedia: Videos and simulations breathe life into learning
- Interactivity: The learner has an active role to play

Developing and retaining talent

SES focuses on identifying and developing high-potential leadership talent by means of succession planning. This includes participation in executive assessments, executive development programmes, coaching and stretch assignments.

In 2013 a dedicated programme was designed for the identification, engagement and development of our high potential employees

In order to support the company's organisational realignment, SES launched the 'MOMENTUM' employee development programme in 2011 which is offered to all employees in the organisation. The first module, on organisational change, was delivered to all employees in 2011 and early 2012. The second module dedicated to SES strategy included an interactive business simulation and has been rolled out across the organisation during 2013. The third module, scheduled for 2014, will engage employees on how we interact with our customers and other strategic stakeholders.

SES regularly offers key employees international assignments through a 'Development Programme' which boosts cross-functional and cross-continental talent and knowledge exchange. In 2013, three new graduates joined our two-year 'SES Associate Programme' consisting of four six-month cross-functional assignments
For some companies in Luxembourg, the legal framework provides for a personnel delegation and a mixed committee.

The personnel delegations consist of between one and six members. All delegates have been elected in 2013 for a new five-year term. Their mandate consists in protecting the interests of the workforce with regard to working conditions, job security and social matters. The personnel delegation is informed on the developments affecting the company and advises on amendments to work rules.

The mixed committee consists of three employer representatives and three employee representatives. The mixed committee has co-decision powers in matters covering performance assessment, health and safety and in the general criteria applied in the recruitment, promotion and dismissal policies. The mixed committee is consulted on all important decisions regarding investments in plant or equipment, work processes and working conditions. The committee is informed about the general development of the company and employment trends.

As one of SES legal entities, SES ASTRA, benefits from a concession granted by the Luxembourg State, three employee representatives sit on the Board of Directors of SES ASTRA. One of them sits as an observer on the Board of SES.

In other SES locations, the social dialogue is conducted according to the rules laid out in the local legal frameworks, for instance by means of works councils.

In The Hague, The Netherlands, a Dutch works council represents the interests of the employees in line with national laws; the same is true for some divisions in Munich, Germany, where employee representation occurs via the local 'Betriebsrat'.

In 2013 Social Elections took place in Luxembourg and The Hague.

Investor Relations

SES's dedicated Investor Relations function reports to the Chief Financial Officer and works closely with the President and CEO. Its purpose is to develop and co-ordinate the group's external financial communications and interactions with equity and debt investors, investment analysts, credit rating

agencies, financial journalists and other external audiences, to monitor stock market developments and to provide feedback and recommendations to the SES Executive Committee.

The Vice President, Investor Relations is responsible for the definition and execution of SES's active Investor Relations programme and participation in investor conferences and similar events. Investor Relations also works closely with the group's General Counsel to ensure that the group's external communications are compliant with all applicable legal and regulatory requirements.

Corporate social responsibility – Corporate Governance

In 2013, SES implemented a range of corporate social responsibility projects and ventures in geographic areas where the SES group has commercial activities, provides communication services or otherwise interacts with local communities.

The policy

SES's CSR policy is aimed at supporting educational projects, with a focus on reflecting the group's position as a leading provider of global communications infrastructure and services.

SES believes it has a responsibility to support projects that contribute to the development of a communications-based society and a knowledge-based economy. We believe that progress in this area should help develop more resilient and flexible economic structures, contribute to enhanced social mobility development, and also contribute to the emergence of more sustainable economic development models.

In 2013 SES reinforced its commitment to support educational institutions especially in Africa, reflecting the company's increasing commercial presence on the African continent.

Projects supported by SES

Education

In 2013, SES continued its initiated student scholarship support programme with the University of Witwatersrand in Johannesburg, South Africa.

SES pursued its scholarship programme with the international Space University (ISU) in Strasbourg, France, supporting students in advanced space applications.

Furthermore, SES continued its engagement initiated in 2010 for a five-year partnership with the University of Luxembourg.

SES committed to support the university's efforts to develop a centre of excellence and innovation for advanced information and communications technology in satellite systems, by cooperating with the University's Interdisciplinary Centre for Security, Reliability and Trust (SnT) and by financing a chair in satellite, telecommunications and media law.

In the Greater Luxembourg region, SES worked closely with SnT to develop a business incubator to encourage industrial development of PhD projects.

SES maintains a seat on the Board of Directors of SnT and also conducts regular steering committee meetings with SnT management and students.

In 2013, SES had the following University partnerships:

Our engagement with the Princeton University emphasizes two projects:

- The use of electric propulsion in transfer orbit and impacts on satellite bus architecture
- Internet intelligent overlay network using satellites.

SES' partnership with the Université Catholique de Louvain relates to three projects:

- Reconfigurable radio systems using non-exclusive frequency bands
- High rate generic pre-distortion system demonstrator for automated optimized multi-carrier operation of a transponder
- Use of polarization as a signaling dimension

Our engagement with the Sapienza University in Rome involves the following:

- Mission design for electric propulsion transfer orbit

SES renewed its support to the International Polar Foundation.
The company donates bandwidth to enable the foundation's Princess Elisabeth research station in Antarctica to communicate via satellite. Princess Elisabeth Antarctica's design and construction seamlessly integrates passive building technologies, renewable wind and solar energy, water treatment facilities, continuously monitored power demand and a smart grid for maximising energy efficiency.

Charitable donations

In 2013 SES continued its donation towards the Betzdorf based Institut St Joseph, a home for mentally handicapped people.

SES made a donation to the victims of the November typhoon that struck the Philippines.

SES also matched donations made by SES employees to international emergency relief organisations providing help to victims of natural or man-made disasters, especially after the typhoon that struck the Philippines.

Other projects

SES is a member of the IDATE Foundation, based in Montpellier, France, which provides assistance in strategic decision-making to the telecommunications, internet and media industries. SES is also a member of the International Astronautical Federation, a global organisation that promotes awareness of space activities worldwide.

In 2013 SES remained a sponsor of the "Musek am Syrdall", local festival and supported the "Discovery Zone" film festival.

SES provided support to the project "Business Initiative 123 – GO", 'a business angel" project that aims at stimulating the development of innovative business projects in Luxembourg and the surrounding regions.

Environmental initiatives

SES is committed to respecting the world's natural environment, and to aligning the companies' and the staff's conduct and, to the extent possible, those of their suppliers, to the principles of sustainable development. Compliance is benchmarked against the legal rules and regulations applied in the countries in which SES operates, as well as against industry-wide best practices. SES's objective is to continuously improve its environmental performance and to further reduce the environmental impact of its activities.

The activities of SES are mainly office and technology-based and overall have a light environmental impact. In its operations, the company promotes the most efficient use of energy and natural resources. It has successfully implemented a programme to rely on cogeneration power. SES applies a waste recycling programme, which aims to avoid, reduce and recycle waste material as efficiently as possible; this programme is subject to independent third-party audits and quality control. SES also conducts environmental training on a regular basis and encourages its staff to adopt environmentally

correct attitudes in their professional activities. SES regularly conducts a company-wide carbon footprint assessment covering all of its operations.

In 2012, the company's activities related to operating and commercializing SES's satellite fleet, as well as general administration, finance and marketing, generated approximately 33,300 tonnes of CO2e worldwide, a reduction of more than 15% compared to 2011.

Emissions from Scope 2 electricity consumption represented the largest component of SES's total emissions in 2012 (approximately 61%) with Scope 1 emissions (approximately 21%) and Scope 3 business travel (18%) providing the remaining contribution. Teleports generated the largest share of the emissions from Scope 1 and Scope 2 sources.

Details of the carbon footprint are disclosed as part of the Carbon Disclosure Project, in which SES participates (www.cdproject.net).

In the wake of the implementation in previous years of a substantial carbon reduction plan at its headquarters site in Betzdorf, Luxembourg, SES continues to support carbon reduction initiatives on an ongoing basis, and especially in connection with new building constructions and infrastructure upgrades. In Luxembourg, the company also operates a CHP unit, which reduces the emissions load of the general grid. In addition, since January 2010, the Luxembourg campus has been using electricity sourced from hydropower, which can be considered CO2-free; the same applies to operations in Sweden. The use of renewable energy has had a significant additional reduction impact (of an estimated 6,000 tonnes) on the company's carbon emissions in Luxembourg. However, due to the carbon accounting rules, these emissions gains are not reflected in the company's carbon disclosure figures. SES applies best practices in minimising the environmental impact of outsourced activities, such as the manufacturing and launching of spacecraft. The company also ensures that the amount of radiation emitted from earth stations respects or remains below the maximum levels defined by the countries of operation; compliance is checked through yearly internal and third-party audits by accredited organisations that specialise in the field of industrial safety.

Responsibility statement

The Board of Directors and the executive management of the company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the financial position of the group with reasonable accuracy at any time, and ensuring that an appropriate system of internal controls is in place to ensure the group's business operations are carried out efficiently and transparently. In accordance with Article 3 of the law of January 11, 2008 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, we declare that, to the best of our knowledge, the consolidated financial statements for the year ended December 31, 2013, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the year of SES and its subsidiaries included in the consolidation taken as a whole. In addition, the management report includes a fair review of the development and performance of the business and the position of SES and its subsidiaries included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

René Steichen	**Romain Bausch**
Chairman of the Board of Directors	President and CEO

Main SES Shareholders
as of 28 February 2014

A Shares

Sofina Group
Luxempart Invest S. à r.l.
Nouvelle Santander Telecommunications S.A.
Banque et Caisse d'Epargne de l'Etat (Fiduciary)

B Shares

Banque et Caisse d'Epargne de l'Etat
Etat du Grand Duché de Luxembourg
Société Nationale de Crédit et d'Investissement

Attachment 2

Composition of the Board of Directors
and of the Committees set up by the Board
as on December 31, 2013

Chairman

Mr René Steichen

Vice-Chairmen

Mr François Tesch
Mr Jean-Paul Zens

Members

Mr Serge Allegrezza
Mr Romain Bausch
Mr Marc Beuls
Mr Marcus Bicknell
Mr Marc Colas
Mrs Bridget Cosgrave
Mr Hadelin de Liedekerke Beaufort
Mr Jacques Espinasse
Mr Jean-Claude Finck
Mrs Tsega Gebreyes
Mr Conny Kullman
Dr Miriam Meckel
Mr Victor Rod
Mr Marc Speeckaert

Observers

Mr Pierre Goerens, Commissioner of the Government at SES ASTRA

Mrs Maria Kugel, SES ASTRA Employee Representative

Secretary to the Board of Directors

Mr Pierre Margue, VP Legal Services Corporate and Finance

Chairman's Office

Mr René Steichen, Chairman
Mr François Tesch
Mr Jean-Paul Zens

Audit and Risk Committee

Mr Marc Speeckaert, Chairman
Mr Marc Beuls
Mr Marc Colas
Mrs Bridget Cosgrave
Mr Jacques Espinasse
Mr Jean-Claude Finck

Remuneration Committee

Mr René Steichen, Chairman
Mr Marcus Bicknell
Mr Hadelin de Liedekerke Beaufort
Mr Jacques Espinasse
Mr Conny Kullman
Mr Jean-Paul Zens

Nomination Committee

Mr René Steichen, Chairman
Mr Marcus Bicknell
Mr Conny Kullman
Mr Marc Speeckaert
Mr François Tesch
Mr Jean-Paul Zens

et les perspectives sera donnée en cours de séance.

* * *

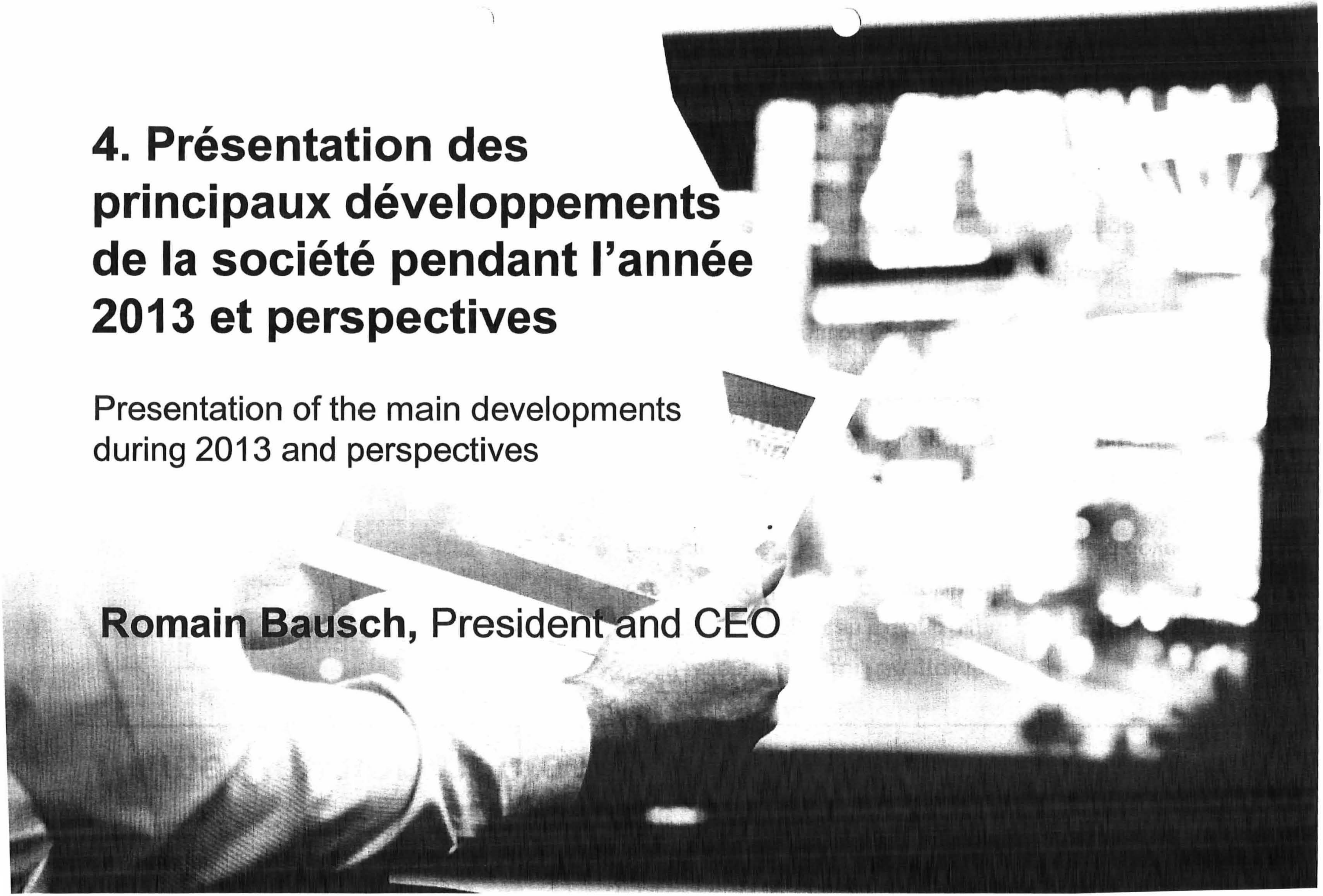
Agenda item 4

A presentation on the main developments during 2013 and perspectives will be given during the meeting.

4. Présentation des principaux développements de la société pendant l'année 2013 et perspectives

Presentation of the main developments during 2013 and perspectives

Romain Bausch, President and CEO



SES

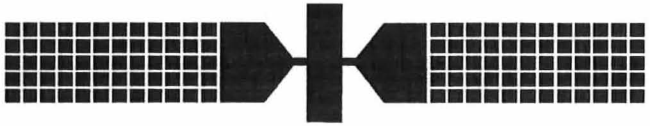
Prime Developments In 2013

- Solid revenue and EBITDA growth
- Contract backlog at an historic high
- Strong video focus a core growth driver
- Reinforced position in established and targeted developing markets
- Extended frequency spectrum at 28.5E for EMEA
- Three successful satellite launches underpin growth
- Further investments in high growth markets and applications, leveraging SES's differentiating competencies
- Portfolio rationalisation (Solaris, ND SatCom and Glocom divestments)
- Leading satellite / space technology innovations
- Improved cash generation and reduced leverage
- Sustained, improved returns to shareholders
- Positive outlook

Robust Top Line Growth

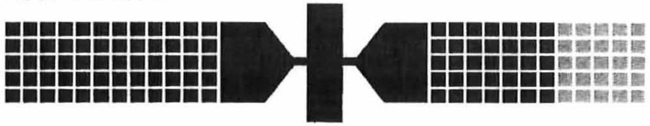
REVENUE

Excluding analogue, at constant FX



+5.9%

At constant FX

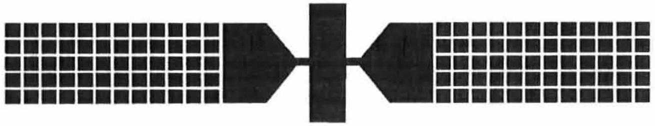


+3.4%

EUR 1,862.5 million*

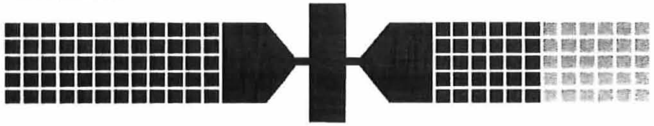
EBITDA

Excluding analogue, at constant FX



+6.2%

At constant FX



+2.8%

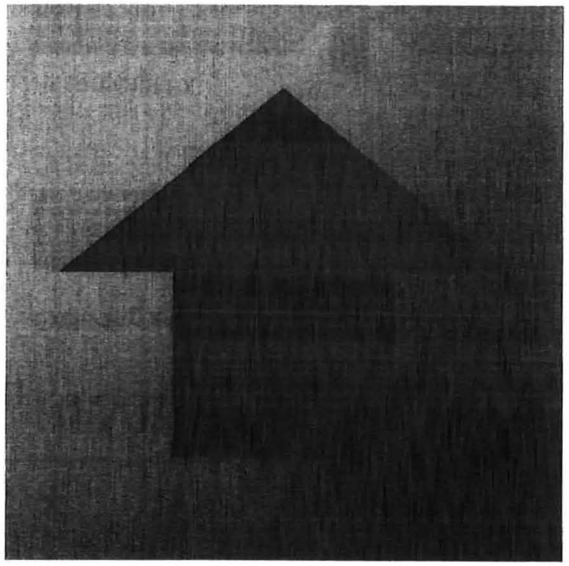
EUR 1,364.7 million*

* As reported

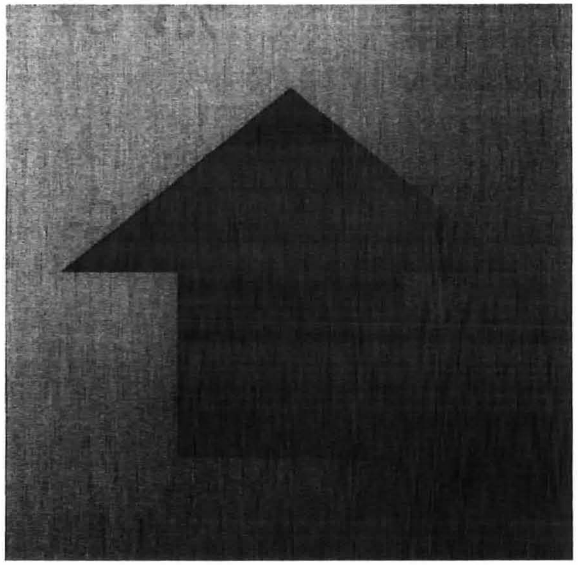
SES

Improving EBITDA Margins

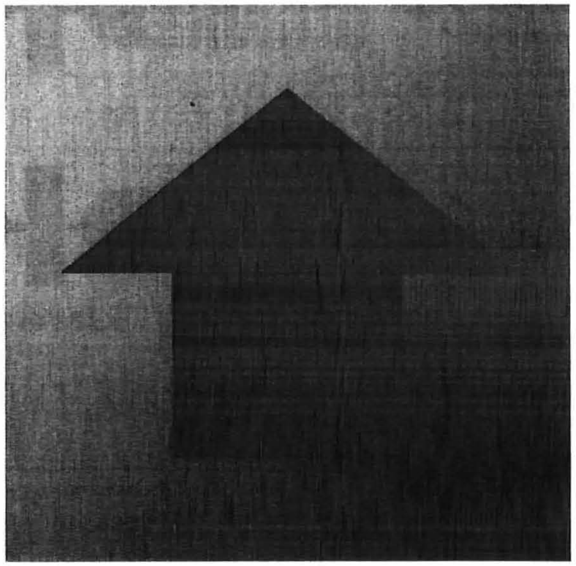
Group	Infrastructure	Services
73.3%	83.3%	17.1%



2012: 73.1%*



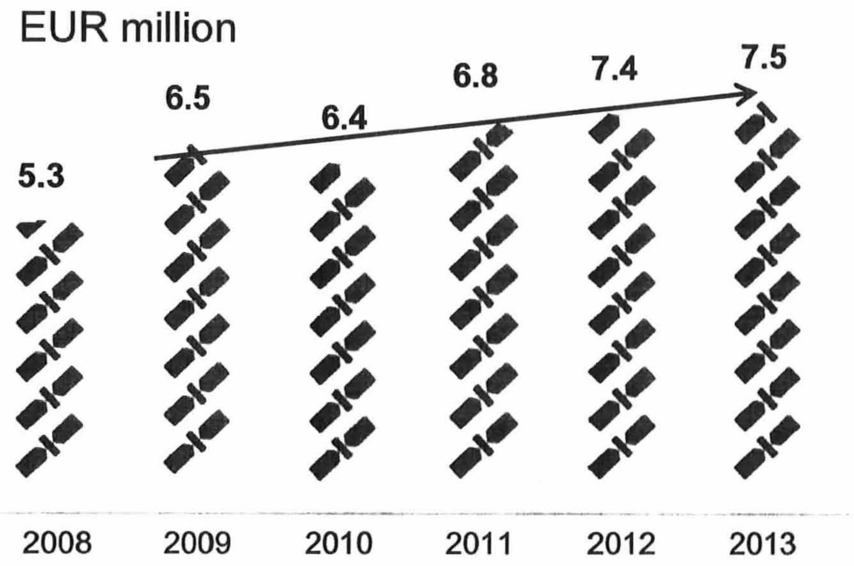
2012: 83.0%*



2012: 14.9%

* At constant FX and ex-analogue

Contract Backlog Increase – Ex-analogue *)



*) at constant FX

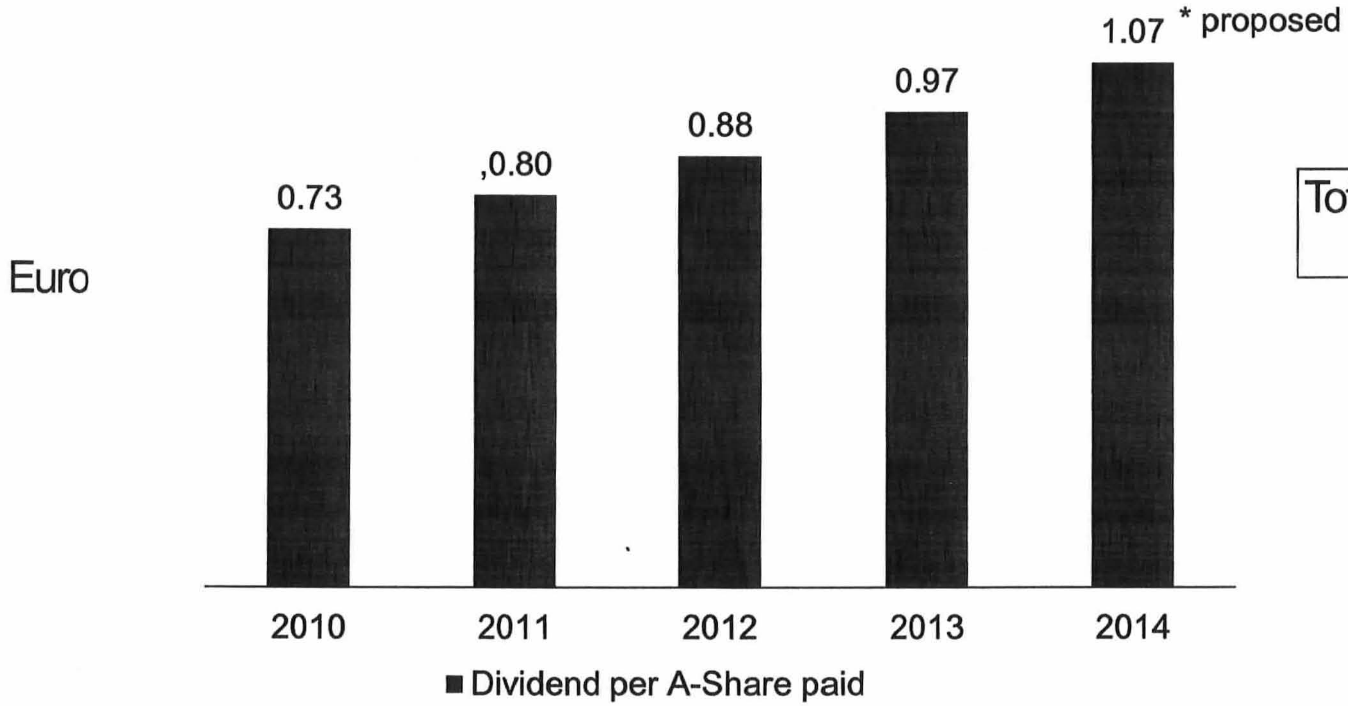
2008-2013
CAGR of 7%

- Fully-protected contract backlog has grown to a historic high of EUR 7.5 billion
- SES group backlog at 31 December 2013 equals 4.0 x 2013 revenue
- Weighted average remaining contract life of 8.5 years

Continuously Increasing Contract Backlog

SES

Dividend

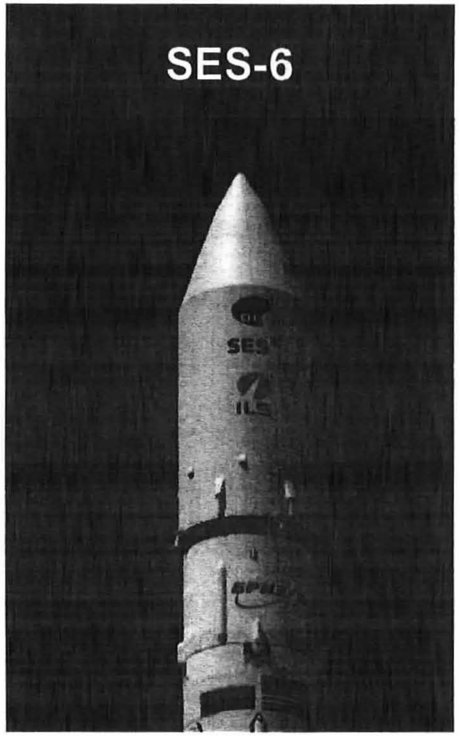


Total of EUR 1.8 billion paid in dividends 2010-2014

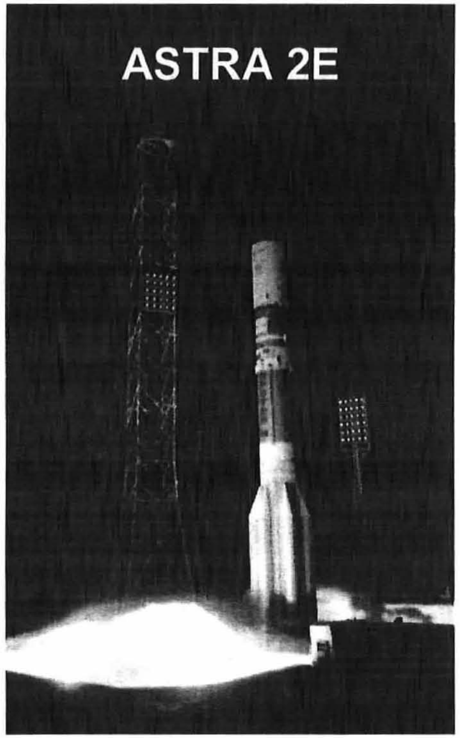
▲ Progressive dividend policy continues to enhance shareholder returns

Progressive Dividend Policy

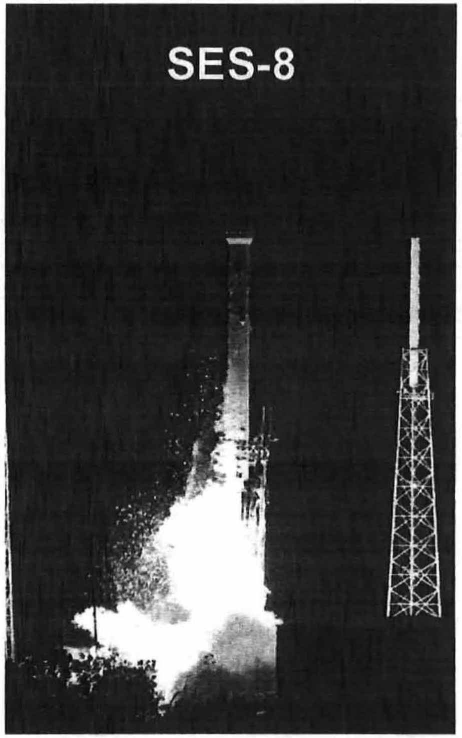
Recent Launches Underpin Future Growth



June 2013
40.5W
LatAm growth
Anchor DTH customer
+ 49 txps



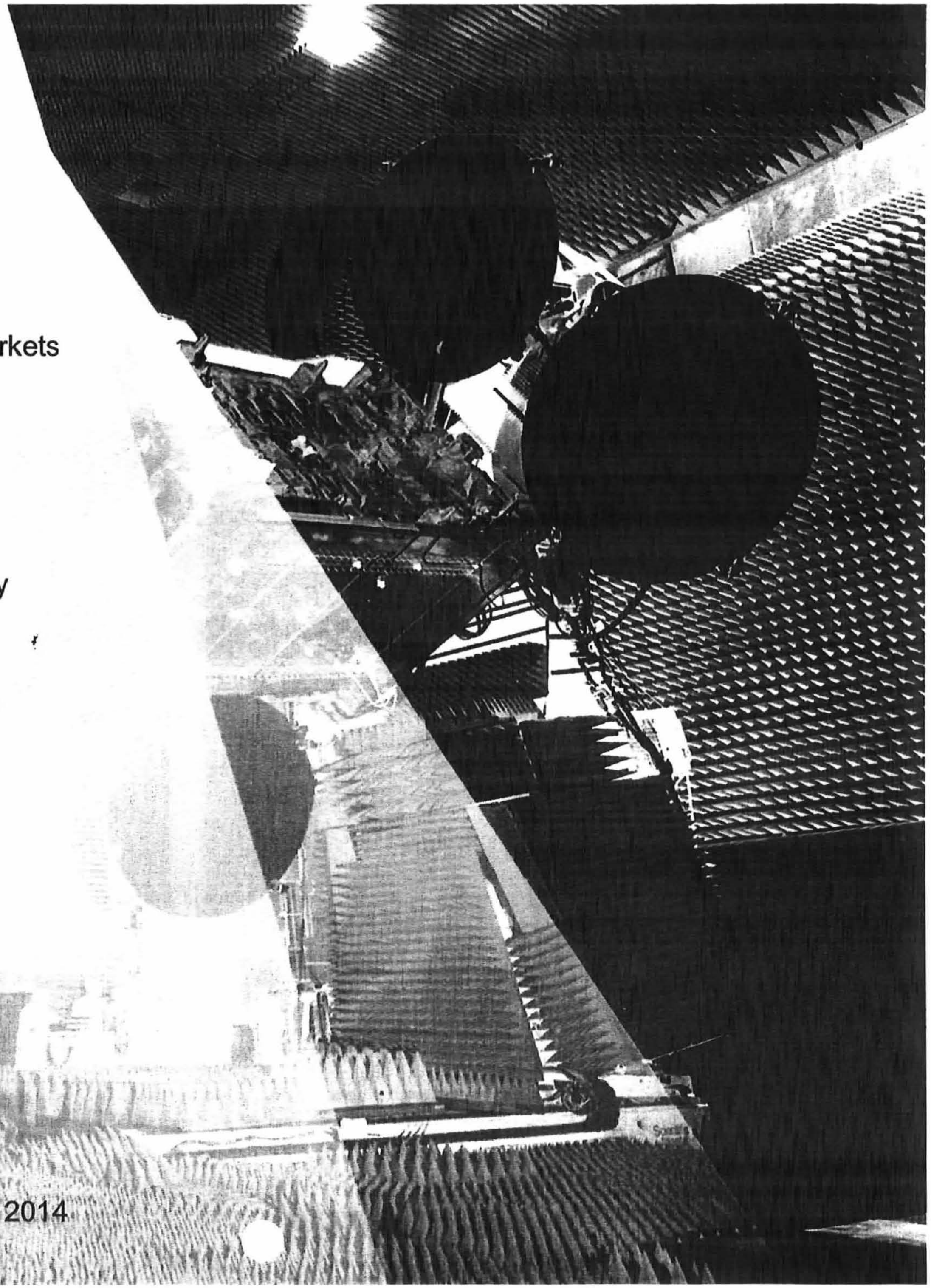
September 2013
28.2 E/28.5 E
Europe replacement, MENA growth capacity
+ 12 txps



December 2013
95E
Asia-Pacific growth
Anchor DTH customer
+ 21 txps

New capacity at prime orbital positions

Building The Future



Strong video core

- ▲ Acquiring new video customers in established and emerging markets (CEE, Latin America, Asia, Africa)
- ▲ Developing video solutions for the new IP environment (IP-LNB, SAT>IP)

Mobility solutions

- ▲ Footprints designed to support aero/maritime mobile connectivity
- ▲ SES-6 (North Atlantic), SES-9 (Indian Ocean, NE Asia)

Space technology innovation drives costs improvements

- ▲ More efficient launchers, e.g. SpaceX's Falcon 9
- ▲ More efficient satellites, e.g. using electric propulsion (Electra programme)

Improving throughput with innovation: O3b case

- ▲ O3b Networks – a differentiated, Mid-Earth Orbit HTS system
- ▲ Flexible coverage, low latency
- ▲ "Fibre in the sky" value proposition
- ▲ First launch of 4 satellites in June 2013
- ▲ Two launches (delivering an additional 8 satellites) scheduled in 2014

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Major Contracts In The Period

Region	Revenue at constant FX and (Europe only) ex-analogue	Major new and renewal contracts
Europe	EUR 936.4 million +6.3%	Orange Romania, MagtiSat Telekom Srbija, Arqiva Sky Deutschland, RTL RAI, M7, Towercom
North America	EUR 398.0 million -2.9%	Gogo, Panasonic, Hughes/Row44 KVH Industries, Globecast ITC Global, iN Demand
International	EUR 528.1 million +12.8%	Oi!, Sky Vision, GSAT Mediascape, IPMTV StarTimes, Platco Digital PT Indonesia

SES

Future Launches Sustaining Growth

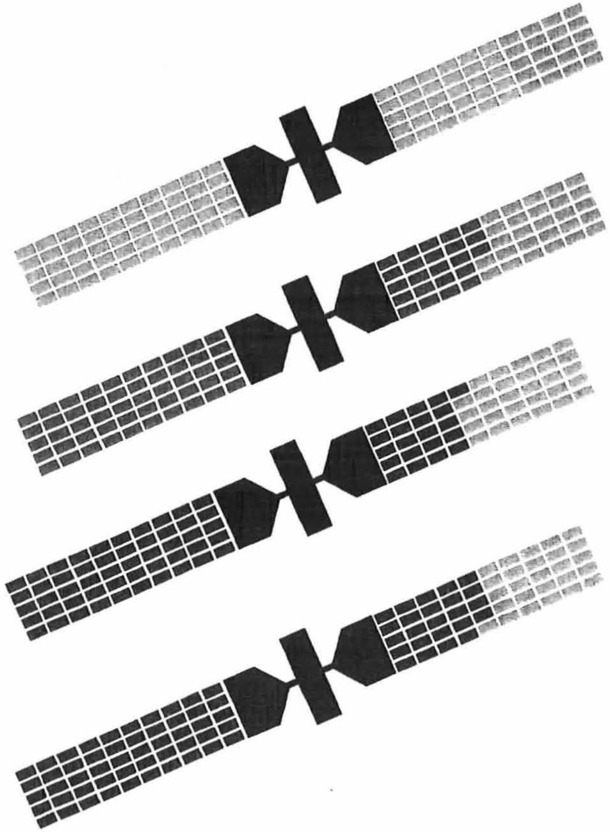
ASTRA 5B	ASTRA 2G	SES-9	SES-10
			
Q1 2014	Q2 2014	H1 2015	H2 2016
31.5 E	28.2 E / 28.5 E	108.2 E	67 W
Repl. and growth capacity	Repl. and growth capacity	Repl. and growth capacity	Repl. and growth capacity
CEE, Russia and CIS	**Europe, Africa**	**Asia-Pacific**	**LatAm**
EGNOS -2	DTH services	DTH and mobility	DTH connectivity
+ 21 txps	**+ 10 txps**	**+ 53 txps**	**+ 27 txps**

Building Or Established Orbital Positions

Fleet Utilisation

- 3.6% increase in commercially available transponders (+51)
- Utilisation rate remained stable at 74.0%
- 3.0% increase in utilised transponders (+32)

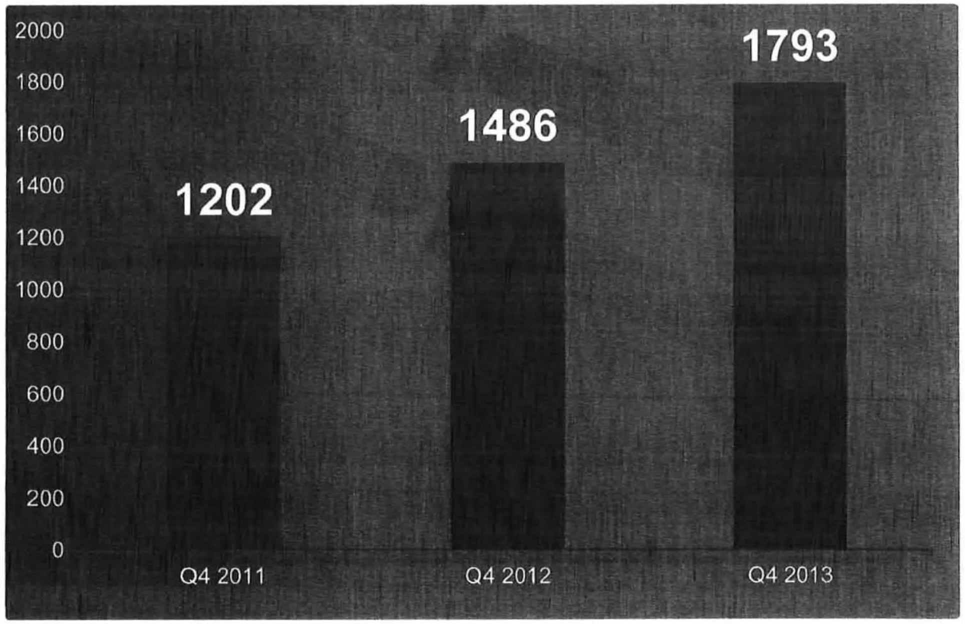
In 36 MHz-equivalent transponders	YE 2012	YE 2013
Europe Utilised	279	278
Europe Available	345	347
Europe %	80.9%	80.1%
North America Utilised	289	279
North America Available	384	384
North America %	75.3%	72.7%
International Utilised	500	543
International Available	707	756
International %	70.7%	71.8%
Group Utilised	1,068	**1,100**
Group Available	1,436	**1,487**
Group %	74.4%	**74.0%**



Channel Growth

- SES carries over **6,000 TV channels, of which almost 1,800 HD channels**
- SES transmits over **70%** more HD channels than Eutelsat and Intelsat combined !!
- YOY growth of 12%, 21% in HD

TV Channels



HD Channels

New Satellites to Increase Capacity

Sustained fleet investment programme:

7 **(3 launched)**

new satellites between year-end 2012 and 2016

Capacity increase:

Europe +21

International +172

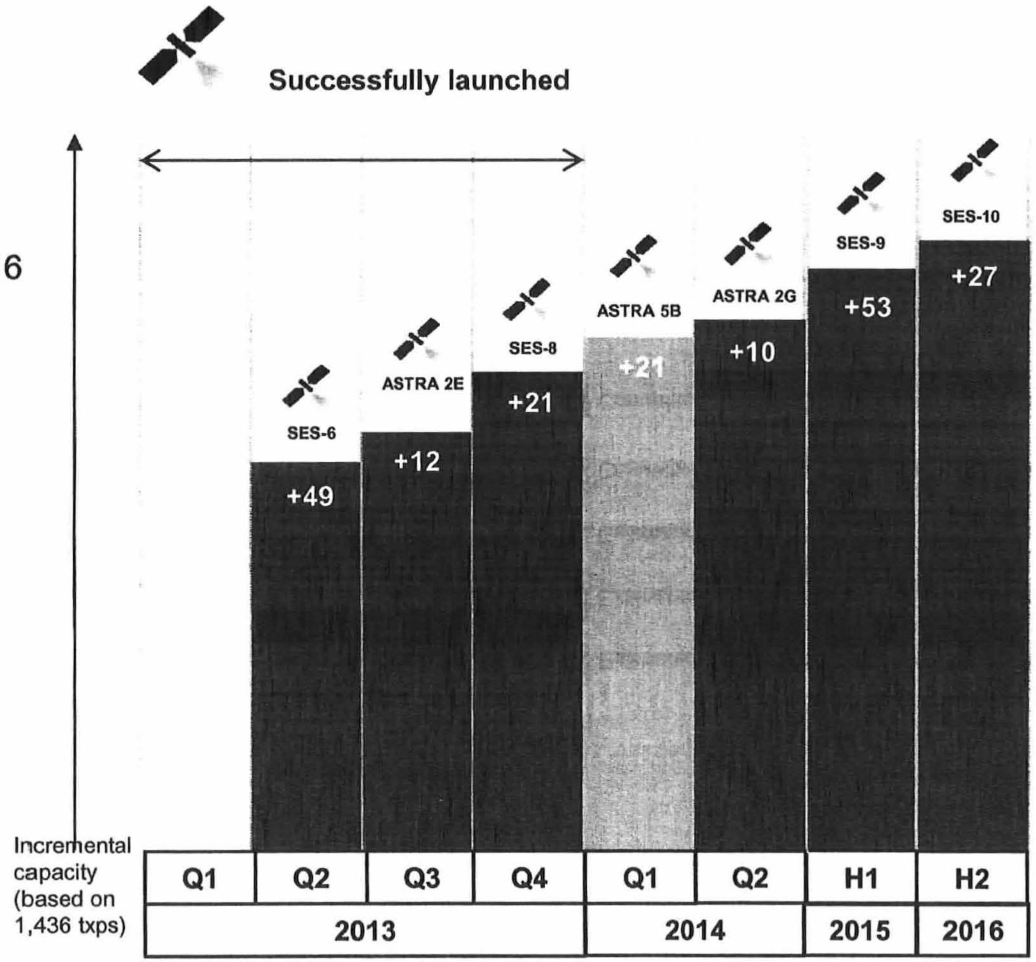
Total +193

13%

total capacity increase over year-end 2012

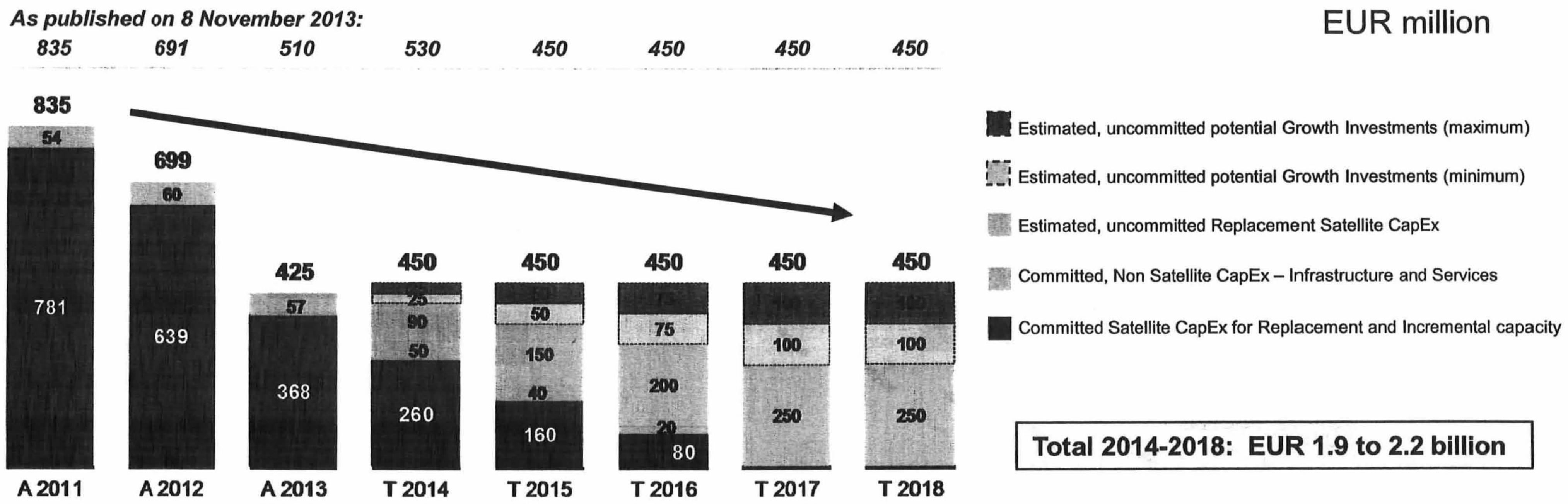
24%

total international capacity increase over year-end 2012



SES' investment programme has a strong focus on growing market segments and regions

Capital Expenditure is Reducing



- Significant CapEx reduction in 2013 related to end of heavy replacement cycle
- 2014 to 2018: Replacement CapEx spending further reduces as SES replacement cycle will reach its floor
- Up to three satellites foreseen between 2014 and 2018 for potential, as yet uncommitted, investment programmes with additional CapEx spending of approximately EUR 0.7 billion as of 2014 for growth in Asia and Latin America
- CapEx as proportion of revenue reduces from 38% in 2012 to ~10% to ~25% between 2014 and 2018 (2013: 23%)

Notes: FX translation based on 1 EUR = 1.40 USD (Actual 2011), 1.29 USD (Actual 2012), 1.33 (Actual 2013) and 1.35 USD (Trend 2013-2018);
Including capitalised interest, not including financial or intang investments

Assemblée Générale Annuelle de SES
Jeudi 3 avril 2014 à 10 heures 30

Point 5 de l'ordre du jour

Une présentation sur les résultats financiers pour l'exercice 2013 sera donnée en cours de séance.

* * *

Agenda item 5

A presentation on the 2013 financial results will be given during the meeting.


SES
your satellite company
5. Présentation des résultats financiers pour l’exercice 2013
Presentation of the 2013 financial results
Padraig McCarthy, CFO
SES-8 lifts off from Cape Canaveral on a Falcon 9 rocket, 3 December 2013

SES

Financial Highlights – FY 2013 (1/2)

EUR million

FY 2013 compared to prior year period	As reported	At constant FX	Excluding analogue and at constant FX
Revenue	1,862.5 (+1.9%)	**+3.4%**	+5.9%
EBITDA	1,364.7 (+1.3%)	**+2.8%**	+6.2%
EBITDA margin *- prior year*	73.3% *73.7%*	*73.7%*	*73.1%*
Infrastructure margin *- prior year*	83.3% *83.5%*	*83.5%*	*83.0%*

Strong topline organic growth translated into solid margins

Financial Highlights – FY 2013 (2/2)

EUR million

Operating Profit	Profit of the Group	Free Cash Flow
851.2 (+7.7%)	**566.5 (-12.7%)**	**726.2 (+36%)**
+8.9% at constant FX *(2012 included AMC-16 impairment of 36.6)*	**+4.7%, if excluding tax provision release in 2012**	**Strong increase versus prior** driven by lower investing activities (422 versus 698)
Prior year: 790.5 as reported	Prior year: 648.8 as reported	Prior year: 535.7 as reported

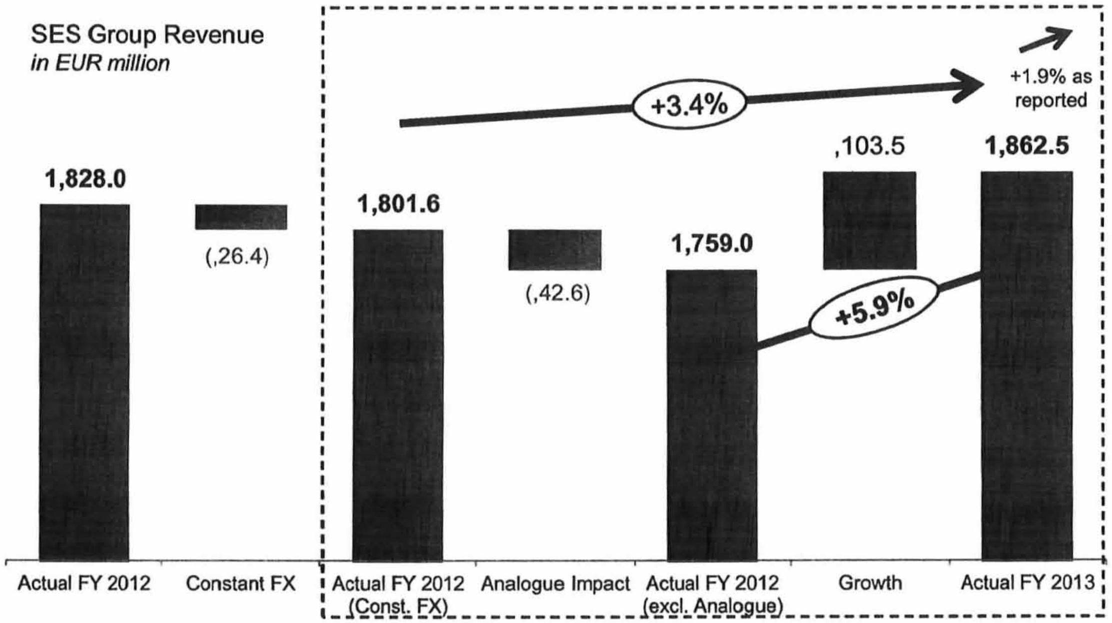
Earnings per A-share
EUR 1.41 (Prior year: EUR 1.62)

Net debt / EBITDA	Contract backlog	Dividend per A-share (proposed)
2.79 times	**EUR 7.5 billion**	**EUR 1.07**
Financial headroom creation	**Highest ever**	**10% increase**
Prior year: 2.96 times	Prior year: EUR 7.4 billion (at constant FX)	Prior year: EUR 0.97

All key metrics improving versus prior

Revenue Walk from FY 2012 to FY 2013

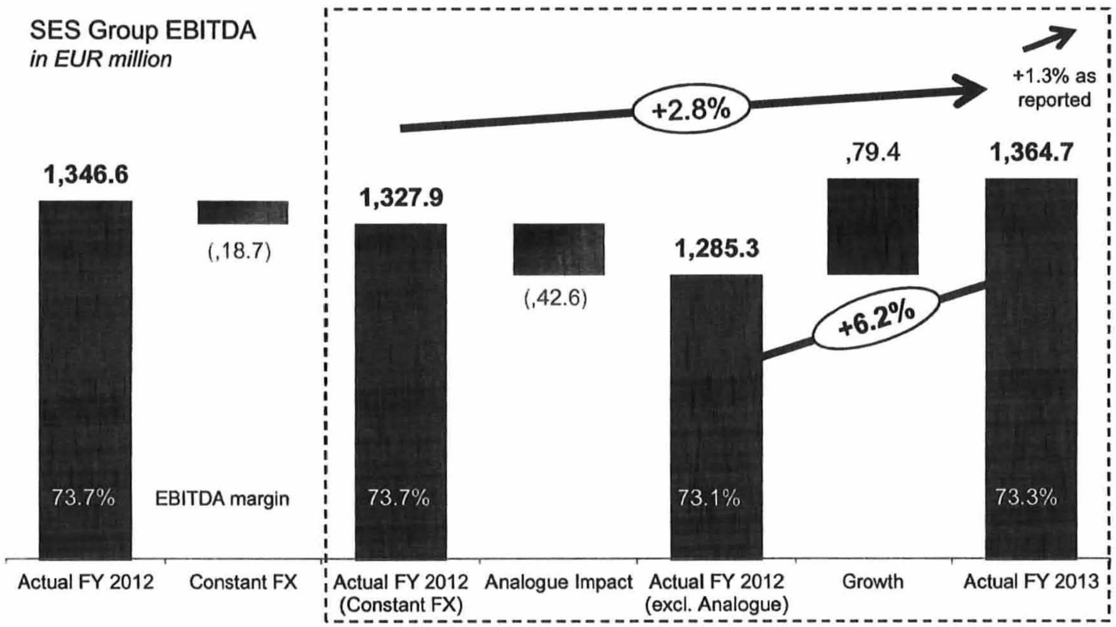
SES



FX rate EUR/USD:
Actual FY 2012 1.2910
Actual FY 2013 1.3259 **-2.7%**

- FY 2013 revenue increased by 3.4% at constant FX to EUR 1,862.5 million
- Excluding German analogue revenue in 2012 and at constant FX, revenue grew by 5.9%, or EUR 103.5 million
- The underlying revenue increase reflects continued strong growth in the infrastructure and services businesses
- Regional revenue developed as follows (at constant FX): Europe +1.4% (+6.3%, excluding analogue); North America -2.9%: International +12.8%

EBITDA Walk from FY 2012 to FY 2013



FX rate EUR/USD:

Actual FY 2012	1.2910	
Actual FY 2013	1.3259	**-2.7%**

- EBITDA for the period was EUR 1,364.7 million and increased by 2.8% at constant FX despite the absence of EUR 42.6 million of analogue EBITDA
- Excluding German analogue and at constant FX, EBITDA grew by 6.2%, or EUR 79.4 million
- The continuing favourable development of services businesses delivered strong revenue growth, with an accompanying increase in associated cost of goods sold. Excluding this, total operating costs were tightly managed, increasing by only 2.8%

SES

Infrastructure and Services Segmentation

Business Segmentation FY 2013 (as reported)				
in EUR million	Infrastructure	Services	Other / Elim. *)	SES GROUP
Revenues	1,591.0	432.5	(161.0)	1,862.5
EBITDA	1,325.2	73.8	(34.3)	1,364.7
Margin %	83.3%	17.1%		73.3%

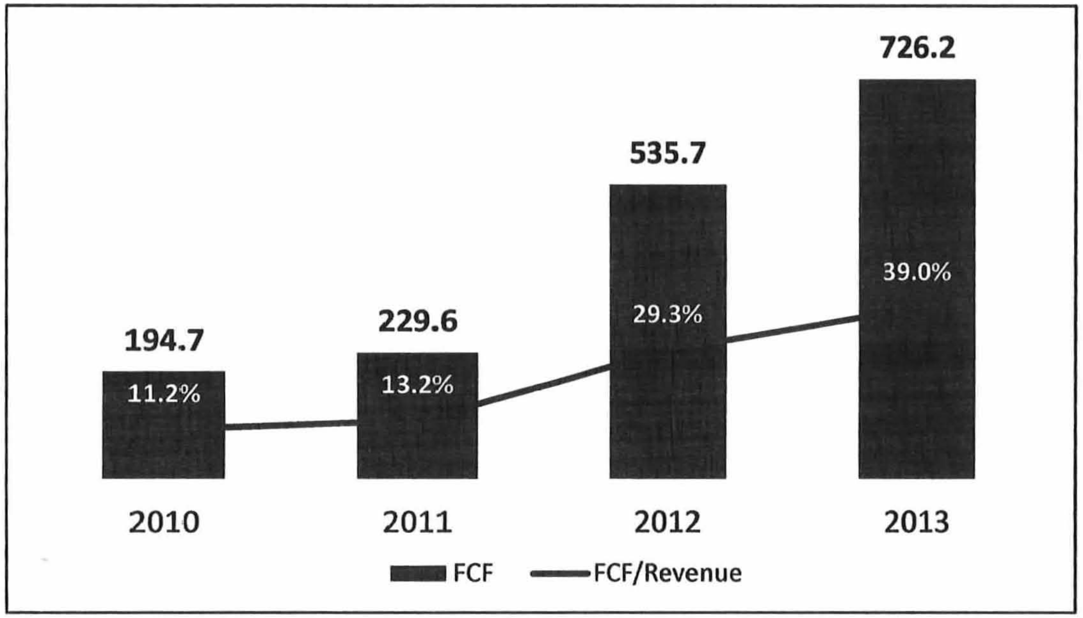
- Reported group EBITDA margin declined from 73.7% to 73.3% due to the absence of EUR 42.6 million of analogue revenues and EBITDA. When excluding German analogue from 2012 (first four months), the underlying group EBITDA margin was 73.1%, a margin increase of 0.2% points. This change is the net result of:
  - Increase of the services revenue contribution versus total revenue (from 20.5% to 22.7%)
  - Improvement of the underlying infrastructure margin from 83.0% (excluding analogue) to 83.3%
  - Increase of the services margin from 14.9% to 17.1%
  - Services growth also drove increase of transponder "pull-through" (+12.7% versus prior)

*) Revenue elimination refers to cross-charged capacity other services, EBITDA elimination to unallocated corporate expenses

SES

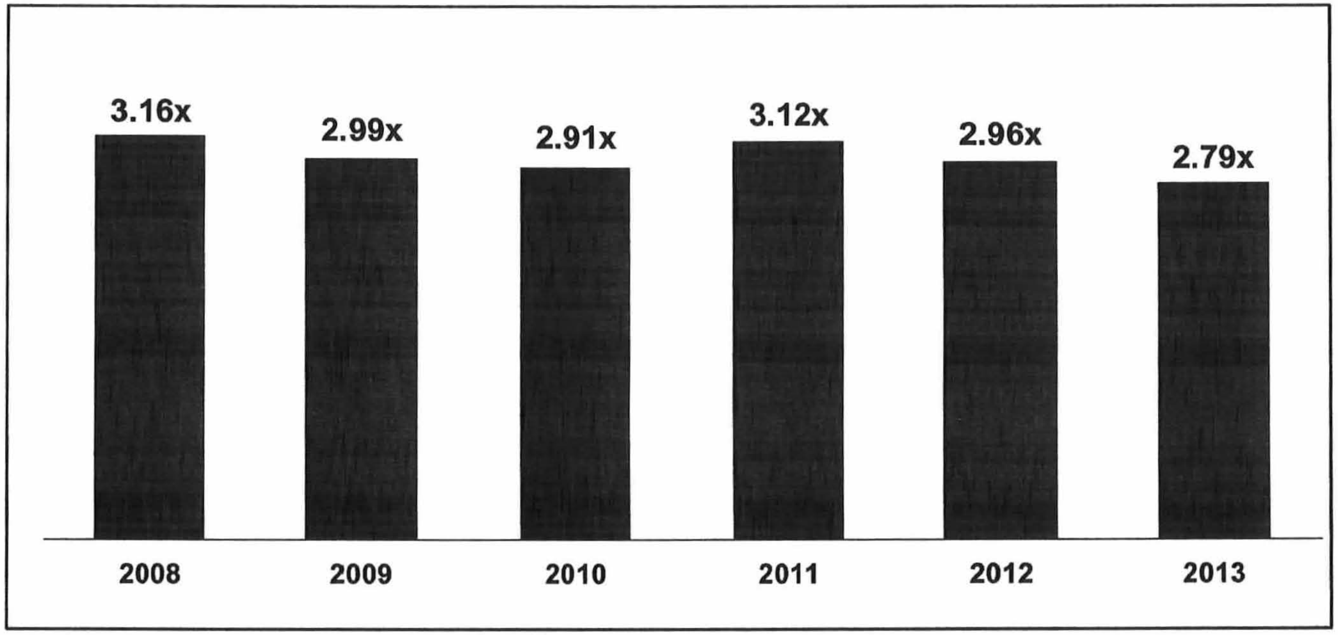
Strong Free Cash Flow Generation

EUR million



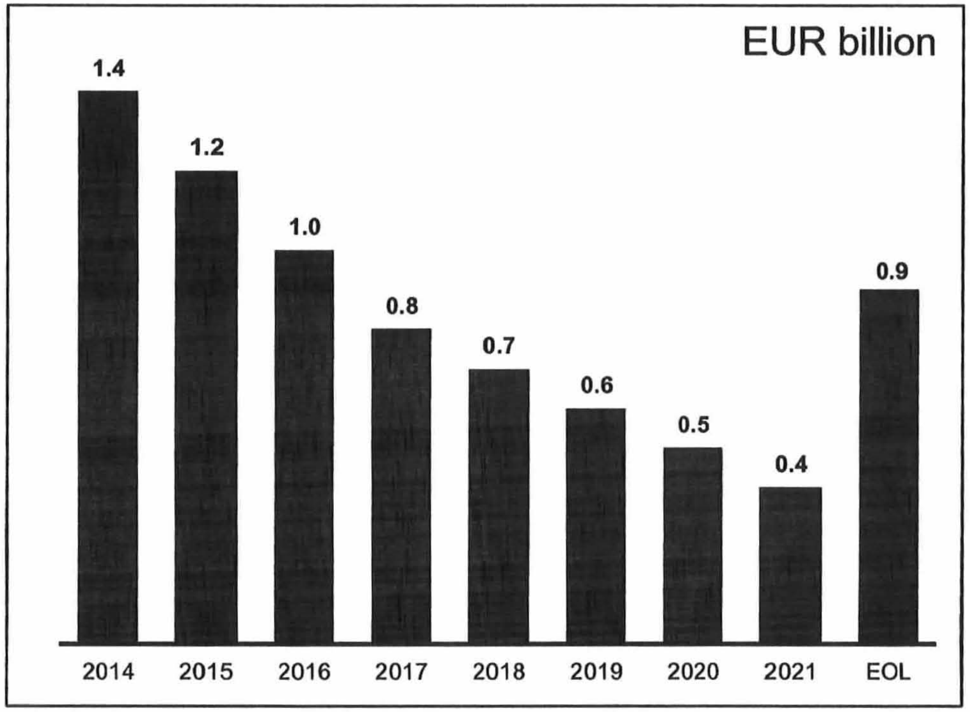
- Free cash flow before financing activities significantly increased since 2010 delivering a CAGR 2011-2013 of approximately 55%
- Free cash flow as a per cent of sales increases from 11% in 2010 to 39% in 2013

Leverage (Net debt / EBITDA)



- Indebtedness has been managed well below the threshold of 3.3 times
- Threshold of 3.3 times to be maintained in order to keep investment grade
- Sound and well balanced financing and liquidity levels in place

Backlog roll-out



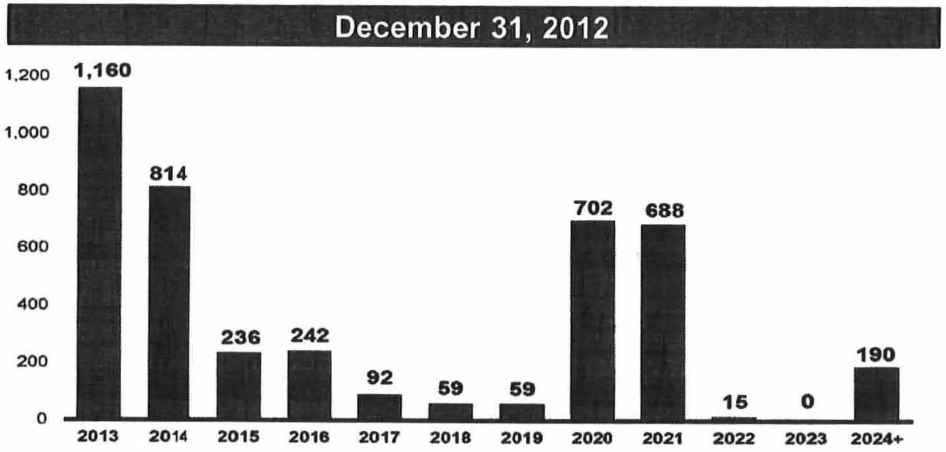
- SES group backlog at 31 December 2013 = EUR 7.5 billion = 4.0 x 2013 revenue
- EUR 1.4 billion of renewals and new business signed since end 2012
- Some 75% of revenue targeted for 2014 already under contract at beginning of the year
- Weighted average remaining contract life of 8.5 years

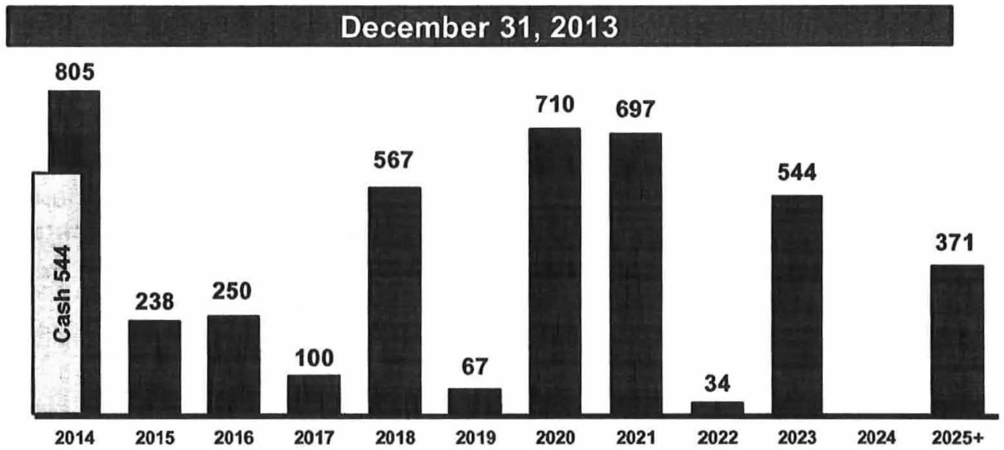
Notes: - USD exchange rate on 31.12.2013: 1.38 USD / EUR; EOL = End Of Life

SES

Maturity Profile

EUR million





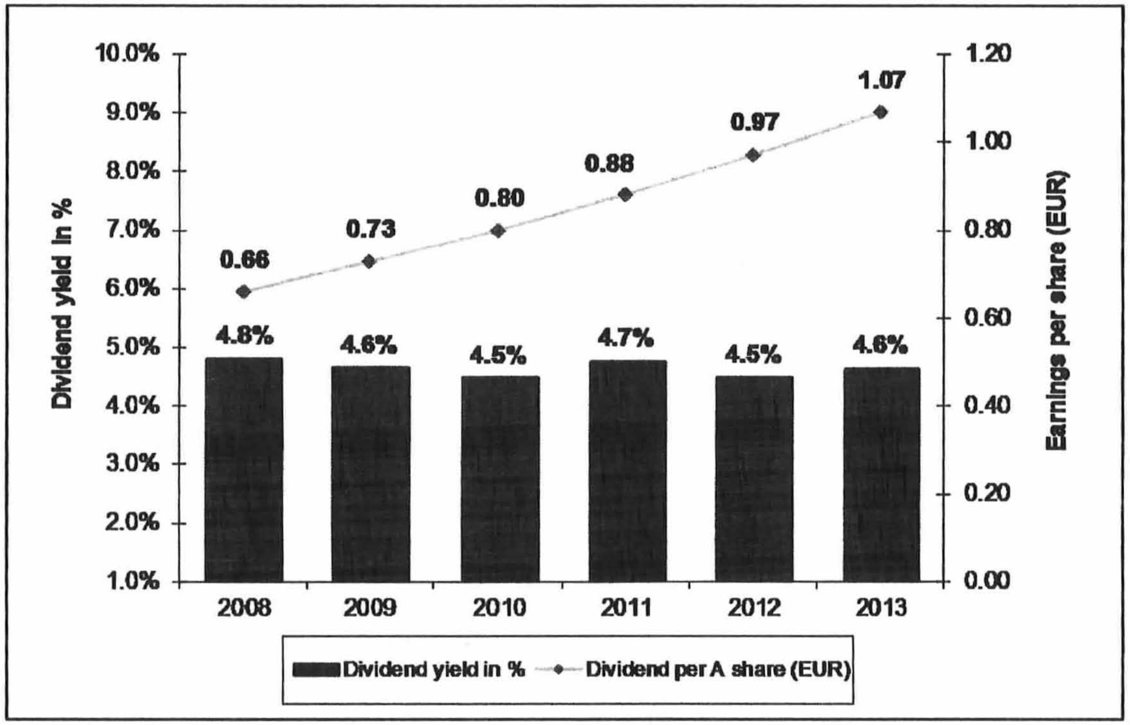
- **On 31 December 2012,** total debt stood at EUR 4,257 million (cash of EUR 240.0 million)
- Extended maturity was delivered through:
  - Private Placements, EUR 140 million, maturing in 2027
  - Schuldschein (German bond), EUR 50 million, maturing in 2032
  - Successful inception of European Commercial Paper program in Q3 2012

- **On 31 December 2013**, total debt stood at EUR 4,382 million (cash of EUR 544.2 million)
- Extended maturity from 4.8 to 6.6 years was delivered through:
  - Completion of inaugural EUR 1 billion US-Bond offering in April 2013
  - Successful placement of EUR 500 million 5-year bond in October 2013 with lowest coupon ever of 1.875%

Net debt reduced by EUR 0.2 billion

SES

Shareholder Returns



- Dividend per A-share for 2013 of EUR 1.07 proposed, a 10% increase
- 2013 Dividend yield of 4.6%
- Shareholder return of approximately EUR 2.5 billion over 2008-2013 (thereof EUR 2.1 billion in dividends and EUR 0.4 billion in share buy-backs and cancellations)

Note: Dividend yields calculated using year end closing price

Guidance

Reporting Period *	As reported	
	Revenue	EBITDA
2014	6% - 7%	6% - 7%
2014-2016 (CAGR)	4.0% - 4.5%	4.0% - 4.5%

▲ Guidance on other key financial elements in 2014:

- Infrastructure EBITDA margin above 82%
- Services activities EBITDA margin of 14% to 18%
- Total depreciation (excluding amortisation) is expected within a range of EUR 480 – 510 million
- Reported tax rate in a range of 13% to 18%
- Net Debt / EBITDA ratio will be managed below 3.3 times

** Guidance bases revenue and EBITDA growth relative to FY 2013 figures, on a constant FX basis and at same scope; Depreciation range based on USD 1.35*

Summary

- Solid position in established core markets
- Successful programmes of expansion in new markets, with high growth potential
- Consistently demonstrating leading innovations delivering CapEx efficiencies
- Tight cost management enhancing margins
- Substantial contract backlog
- EBITDA growth and reducing CapEx profile deliver strong cash generation
- Well positioned for further organic and inorganic growth
- Growing returns to shareholders